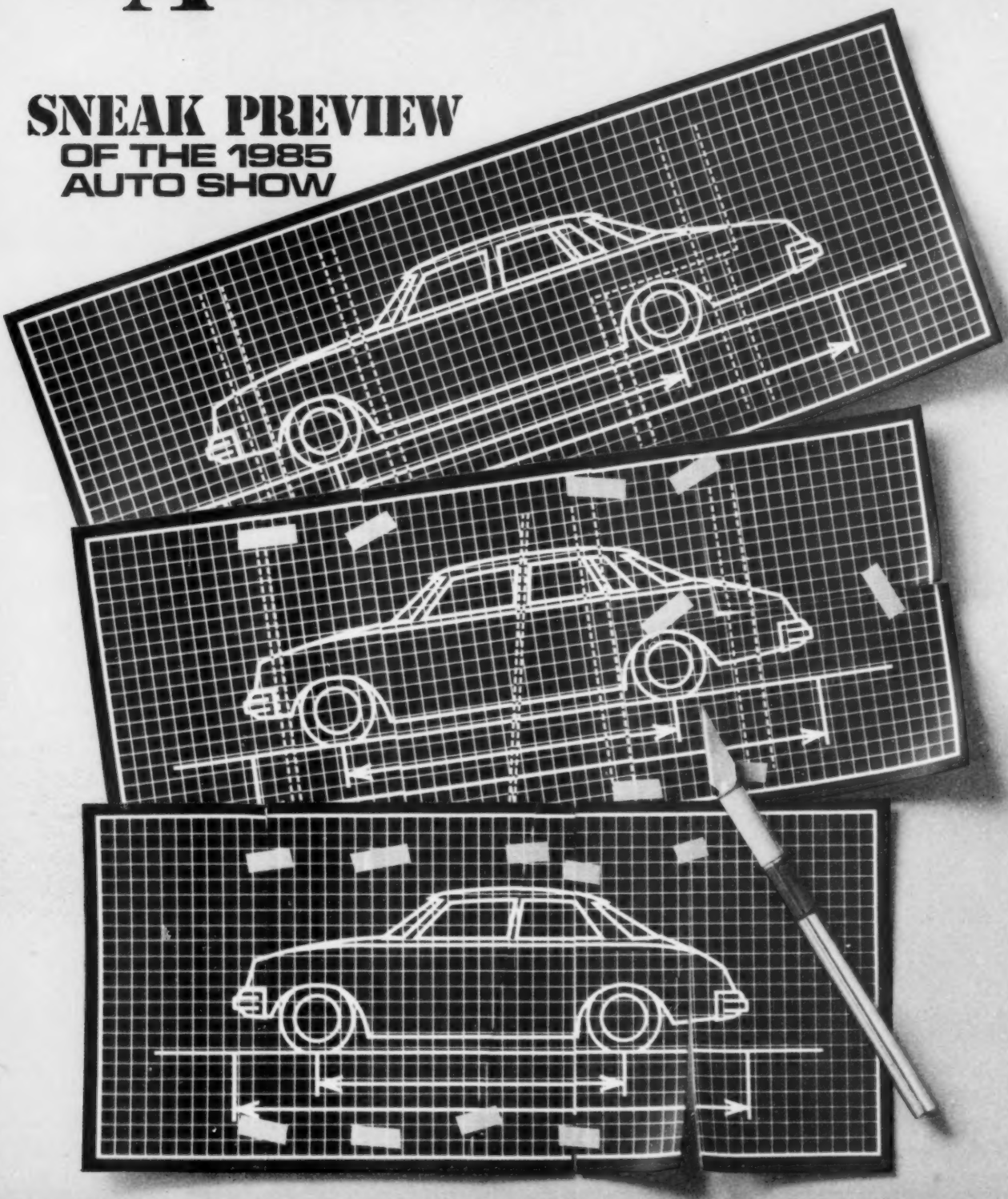
COMMERCE AMERICA

U.S. Department of Commerce / November 7, 1977

SNEAK PREVIEW OF THE 1985 AUTO SHOW



Newsmemo

Extended-term auto financing has gained major public acceptance. Here's Ford experience: after introduction in 1971, the over-36 month financing grew to 4 percent of new car loans by 1973, 14 percent in 1974, 37 percent in 1975 and 46 percent in 1976. So far Ford has detected no lengthening of the trading cycle, but this possible offshoot is continuing to receive close attention. A looked-for increase in delinquencies has also failed to appear. Careful training of finance and insurance managers, who screen the extended-term applicants, appears to have held down the rate of delinquencies.

When chemical production encounters stiffer environmental standards some familiar products may become dropouts. Vat dyes are the chemical compounds used to color cotton fabrics. DuPont, which produced 28 of them in 1975, is discontinuing production, with rising costs of pollution control a major factor in the decision. Some of DuPont's vat dye customers can take other types of DuPont dyes; other vat dye producers will supply the remainder. Technology changes and discontinuation of products are the procedures being increasingly chosen by chemical makers to meet environmental or toxic control standards.

A $450 million market was created in the past few years and supported mainly by Christmas buyers. That's the situation in video games, as described by an RCA spokesman. Currently expected in this field is a move toward more expensive programmable games, and away from the low-end, limited-play items, with resultant higher unit prices. As much as 70 percent of yearly sales are expected to be made during the Christmas season.

A California Energy Commission ruling that took effect last week will have major repercussions on the air conditioning industry. It requires energy efficiency ratios for newly sold equipment that can be met by less than half of the unitary air conditioners currently listed in a standard industry directory. Other states are following California's lead. Kansas and Texas are ready to implement similar though slightly different standards, and bills are pending in Oregon, New Jersey and Wisconsin.

The handheld calculator could move to a new plateau of popularity due to expanded memory capability. Recent developments in microminiature memory technology, called bubble memories, may break the memory capacity constraints existing up to now in small calculators. One U.S. producer has announced bubble memories holding 100,000 bits of information per one-inch square memory chip. Incorporated into calculators, they could bring such devices into the realm of true handheld computers. Significantly, the U.S. should thus continue to dominate this part of the computer industry for the foreseeable future.

A two-tiered price structure by auto makers is stirring discussion. The GM Chevette and the Ford Pinto are being offered at lower prices in selected western states where import competition is strongest. The legality of this practice has been questioned by an independent dealer organization. The manufacturers defend the approach. They maintain that a seller is permitted to select areas in which he decides to meet price competition and that he is not obligated to meet lower prices wherever he sells.

Product liability insurance problems are affecting the medical-surgical equipment industry. Premiums on apparatus have risen from .42 percent of sales in 1974 to 1.3 percent in 1977. In addition, many policy conditions worsened; deductibles were increased and limits of coverage lowered. Small companies, particularly hard hit, have had insurance costs over 5 percent of sales in some cases. An industry trade association is exploring the establishment of its own insurance company or cooperative.

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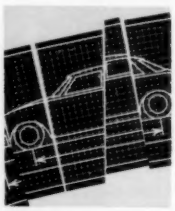

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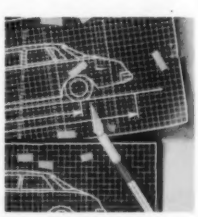

COVER: Engineering blueprints increasingly will reflect environmental, energy, and safety factors impinging upon America's automobile industry. The result will be more fuel efficient small cars, a government study reports. Story begins on page 4.

U.S. DEPARTMENT OF COMMERCE

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GNP Growth Slows Despite Boost From Government Sector

This article was prepared by Chief Economist Courtenay Slater in collaboration with staff economist Theodore S. Torda.

Dr. Slater

The rate of economic growth slowed in the third quarter even though the government sector provided substantial support. Real Gross National Product increased at an annual rate of 3.8 percent, according to preliminary estimates, compared with 6.2 percent in the second quarter and 7.5 percent in the first. The rate of inflation declined markedly, mainly because of a reversal of the acceleration in food and energy prices which occurred early in the year.

Consumer purchases of goods actually declined in real terms, a rarity in a recovery. Consumer purchases of services rose strongly, but this in large part reflected increased energy use for air conditioning during a hot summer following a mild spring. Residential construction and inventory accumulation remained at the high second-quarter levels but did not add to growth. Real business fixed investment rose only moderately as reduced purchases of motor vehicles offset increases in other types of investment. The net export balance, in real terms, remained unchanged. In contrast to the limited growth of the private economy, government purchases rose strongly for the second successive quarter and accounted for more than half of total third quarter GNP growth.

Growth of disposable personal income, which had been very rapid in the second quarter, moderated in the third. This slowing occurred despite $5 billion (annual rate) in increased social security benefits and a further $3.5 billion from reduced personal tax withholding (which had been in effect only during the final month of the previous quarter). The slower income growth reflected smaller employment gains and a marked decline in farm income.

As shown in the chart, real personal consumption expenditures in the third quarter continued to rise at the subdued pace of the second quarter, the lowest rate of increase thus far during the recovery. In contrast to the winter months, when consumers coped with soaring fuel bills in part by reducing their savings, the ratio of personal savings to disposable income edged up in the third quarter. Thus, the extraordinary bills for electricity and natural gas may have impinged on consumer spending for goods.

Outlays for motor vehicles and parts, which had eased slightly in the second quarter after a sharp rise early in the year, declined further in the third quarter. One contributing factor may have been the steep decline in used car prices, which reduces trade-in allowances, thus raising the effective price of a new car for many buyers. Other consumer durable goods purchases continued to increase, particularly household appliances and radio and television sets. Sales of clothing and shoes advanced more rapidly than in the second quarter but purchases of food declined in real terms while spending on other consumer nondurable goods was little changed.

Many analysts had expected a smaller third quarter increase in inventories than in the second quarter, partly as a response to the slowdown in retail sales since early spring. Nonfarm inventory investment did decline slightly, but the decline was not at the retail level. In real terms, inventories held by retailers rose more in the third quarter than in the second quarter while the deflated volume of retail sales was below the March level. Part of the latest increase in retail inventories appears to be involuntary, especially in general merchandise stores.

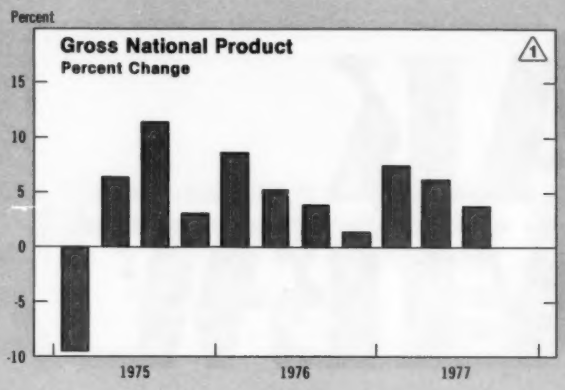
The physical volume of privately held farm inventories increased for the first time since 1975. Despite bumper crops, the rise was slight, however, because the Federal Government in effect acquired large amounts of grains through price support programs.

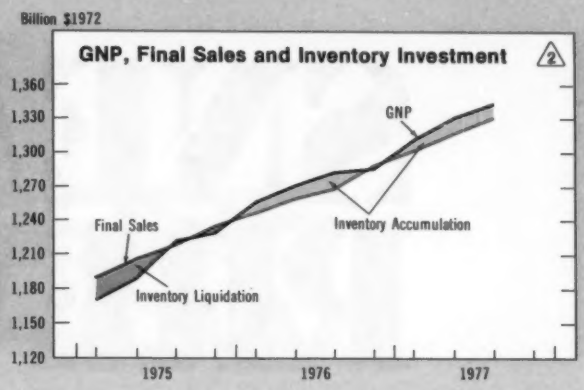
The rise in business fixed investment slowed in the third quarter, partly because of a decline in business purchases of motor vehicles. Excluding autos, trucks, and buses, real business fixed investment rose at an annual rate of 9 percent. Structures increased only moderately, reflecting completion of the Alaskan pipeline and reduced spending on petroleum well-drilling. Outlays for producers' durable equipment other than motor vehicles increased sharply.

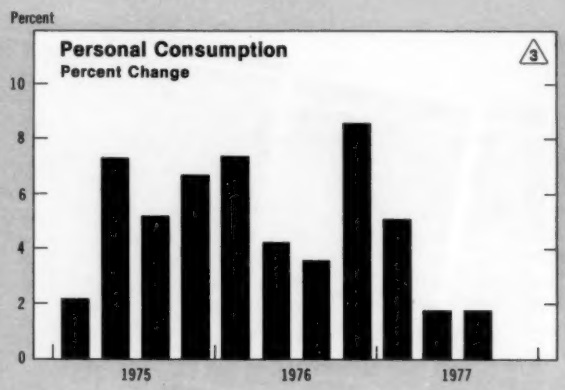
As in the second quarter, the increase in real purchases of goods and services at all levels of government was unusually strong. The Federal Government increased its outlays for defense, grain support activities, and construction.

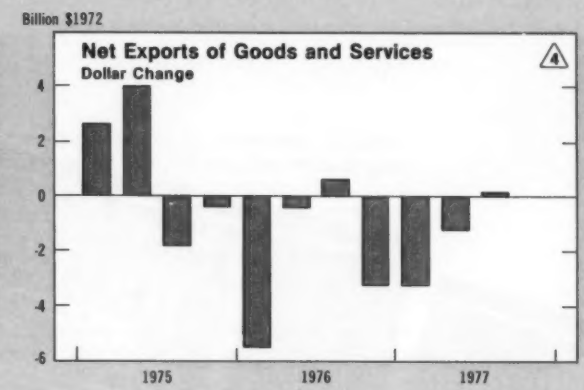
State and local government purchases rose sharply under the impetus of an $8.6 billion (annual rate) increase in federal grants-in-aid, about $2 billion of which came from the Administration's fiscal stimulus program. Employment under special public service jobs programs advanced from about 300,000 jobs in the second quarter to 450,000 in the third quarter. Outlays for local public works appear to have risen only moderately but are expected to gain strength during the next two or three quarters.

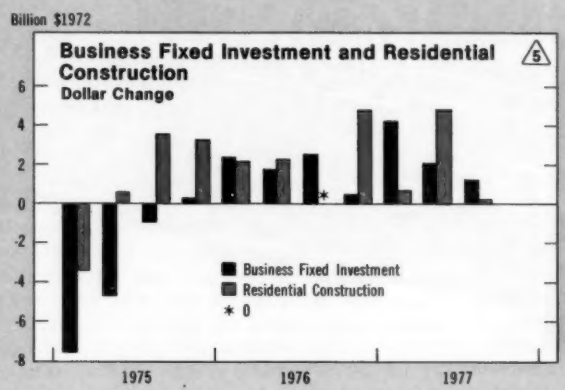
The fixed-weighted GNP price deflator increased at an annual rate of 5.1 percent in the third quarter following a 7 percent rate of increase in the first and second quarter. Wholesale prices of farm products declined steadily from April to September but are unlikely to drop much further, especially since the government has, in effect, put a floor under some types of agricultural prices. There also was some slowdown in the third quarter in price increases for structures and for fuels but prices rose more rapidly for consumer durable goods and services and producers' durable equipment. Overall, the rate of price increase for nonfood items moderated slightly as compared to the second quarter. Unit labor costs rose considerably more slowly, but this reflected productivity gains stemming from a drop in aggregate hours worked rather than moderation in the rate of increase of hourly compensation.

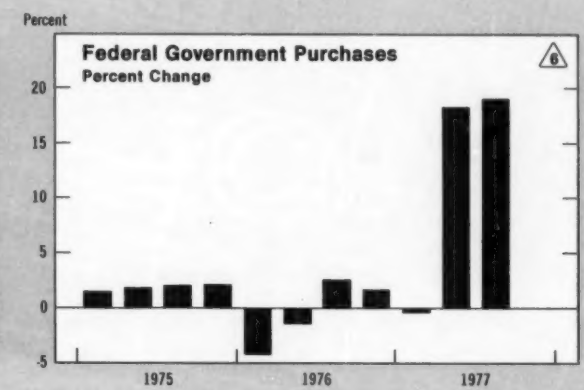


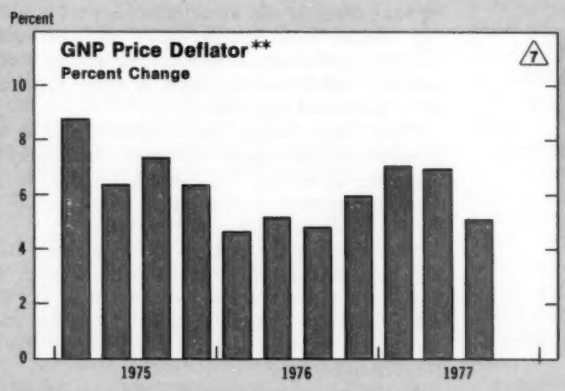


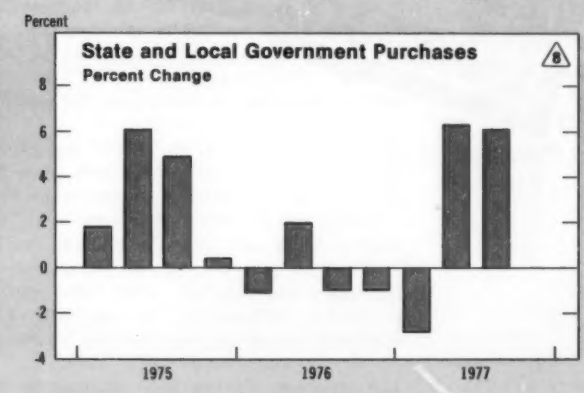








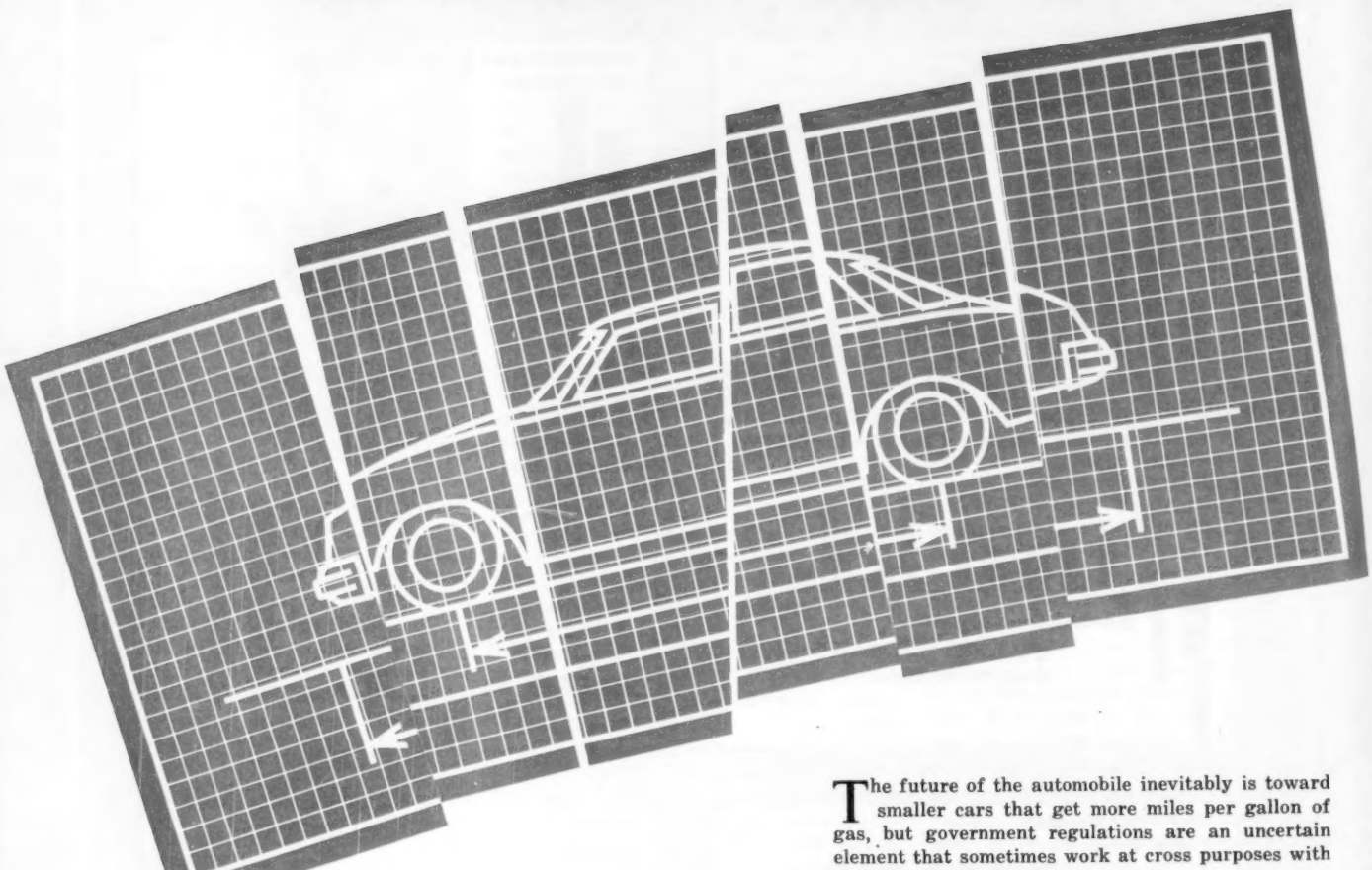




NOTE: Series are seasonally adjusted annual rates and in constant 1972 dollars.

**Fixed weighted price deflator which uses composition of output in 1972 as weights.

SNEAK PREVIEW



The future of the automobile inevitably is toward smaller cars that get more miles per gallon of gas, but government regulations are an uncertain element that sometimes work at cross purposes with their professed objectives.

These were among the conclusions of a lengthy Commerce Department report on the impact of environmental, energy, and safety regulations and of emerging market factors on the U.S. sector of the North American automotive industry.

The report is the product of Commerce's Domestic and International Business Administration. Review and other assistance was contributed by the Departments of State, Treasury, Labor, Transportation and the Office of the Special Representative for Trade Negotiations.

The average automobile will be smaller and its price, relative to other goods, may grow higher, the report says. Also, employment in the U.S. automo-

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bile industry may grow at less than historic rates.

World production of vehicles will continue to increase, but United States imports of cars will probably remain at about 15 percent of the domestic market.

The authors also expect the design distinction between North American type cars and European cars to be reduced, as the U.S. automotive industry moves toward smaller cars, and more cars of common design are produced in different countries.

Regarding the various regulations calling for elimination of environmental pollution, conservation of petroleum, and vehicles of safer design, the report says, "these regulations sometimes have conflicting consequences. For example, designs for safer vehicles sometimes increase vehicle weight which in turn increases fuel consumption. The technology available for engine emission control can also increase fuel consumption.

"Some observers believe there is a need for coordination of regulation of the automobile to achieve a better balance of costs and benefits to society. Most estimates are that the regulations concerning engine emissions and fuel consumption will cause future vehicles to average no larger than current sub-compacts in weight," the authors say.

In a discussion of questions relating to the future of the automobile, the report emphasizes the Federal Government's difficulty in effectively balancing the sometimes conflicting objectives of reduced energy consumption, increased safety, and improved environmental quality in the requirements it imposes on the automobile manufacturers and their products—especially when these requirements are imposed by several independent agencies with separate authorities.

How far should passenger safety and emissions control be mandated into automobile designs? At what point do incremental costs outweigh incremental gains?

The 1975 Energy Policy and Conservation Act set fuel economy standards which the average automobile fleet produced by each manufacturer is required to attain for model years after 1977. These are 18 miles per gallon for the 1978 model year, 19 for 1979, 20 for 1980, and 27.5 for 1985. The following standards have been set by the Secretary of Transportation: 22 mpg for 1981; 24 mpg for 1982; 26 mpg for 1983; and 27 mpg for 1984.

"Without public acceptance and purchases, the most fuel-efficient design is useless," the report states. The mandated 27.5 mpg fleet fuel consumption standard in 1985, for example, appears to be technologically feasible, but can only be realized with public cooperation and full understanding of the purpose. This issue looms as the major dilemma facing the Federal Government and the industry.

How rapidly can industry change over to more fuel-efficient automobiles without undue burden or impact on itself, its suppliers or on levels of employment? Ideally, any changeover should take place gradually, with adequate advance knowledge and with maximum flexibility for each segment of the industry.

How should the nation handle the risk which the automotive industry must accept in motor vehicle changeover to fuel-efficient models? The impact of these risks is especially important in the light of the many uncertainties which underlie such changeovers. And how can the considerable risks associated with changeover be reduced for the smaller companies?

Concerning consumer acceptance of the new generation of smaller cars, the report says: "Should a substantial segment of the market elect to defer purchasing new cars, the effect on the industry and the national economy could be severe for a time." In addition, the technology—particularly for controlling automotive emissions—is uncertain at this time.

Commenting on "risks" in the current situation, the report says that consumers may not buy the lighter cars in percentages which would yield the "mandated" fleet economies. Fines on the manufacturer will not necessarily solve this problem. Low consumer acceptance of the smaller models will result in low total sales, because manufacturers may have to limit sales of gas guzzlers in order to keep their overall fleet sales at the mandated mileage load.

Industry investment, and overall economic posture, would be jeopardized. Limited ability to react to such uncertainties can create especially serious prob-

. . . expect the design distinctions between North American type cars and European cars to be reduced . . .

lems for smaller manufacturers who are less able to put up development funds and risk major capital on new directions.

Also, consumer "behavioral" patterns are shifting and are hard to predict, the report points out. These changes have a real effect on acceptance of lighter cars.

Potential changes in regulations on safety, emissions and fuel economy create further uncertainties. The same is true with respect to wholly new regulations which may be introduced, e.g., sulfate emissions.

In addition, unforeseen changes in technology which are not now clear could alter the development path.

. . . crash avoidance probably will include changes in braking systems, lighting and field of vision.

For the immediate future, the report says that the goal of a safer, less polluting and more fuel-efficient automobile must be sought through redesign of existing components and introduction of new materials into vehicle construction. New types of engines are under development but are not yet capable of replacing the present-day internal combustion four-cycle gasoline engine in terms of reliability and cost.

Additionally, once a completely new engine is adopted, it will take 12 to 15 years of lead-time to build enough new production and assembly lines to supply the millions of new engines needed each year.

New technology is seldom introduced across-the-board in a single model year in the automobile industry. This is true in part because of lead-time requirements. Capital needs also may play a part, but one of the most important reasons is the commercial risk involved in putting millions of warrantable items into consumer service without adequate experience.

Many materials are being investigated in an effort to produce lighter-weight and hence more efficient cars. As much as 1,000 pounds have been removed from the weight of the 1977 version of some of the larger models. Increased use of such materials as aluminum, plastics and high-strength low alloy steels is expected to trim car weights even more.

The world has come to realize that petroleum is a finite resource. Though the total quantity of petroleum available is not precisely known, it seems clear that with a growing rate of consumption, gasoline prices must inevitably rise well above their present levels.

Many different liquids are being evaluated as possible replacements for the fuels currently used. Additional technical effort and substantial additional funding might result in successful derivation of synthetic fuel for vehicles using coal or shale oil as the source. But the report estimates that the quantities of fuel available from these sources will account for no more than a small fraction of projected future consumption.

For the long term the driving age population will continue to grow, although at a slower rate than previously, and disposable income will continue to increase. This means more people with the wherewithal to own cars.

Thus, the proportion of households owning two or more cars will grow, with the annual sales rate of automobiles projected at about 13 million in 1985, assuming customer acceptance of the smaller cars.

The expansion of mass transit systems is expected to have little effect on the number of new cars sold in the foreseeable future.

As to the automobile engine, the report comments: "Of the four engine types beyond 1980, two (the traditional and diesel engine) have serious emission control problems, while the other two (gas turbine and Stirling), although requiring major breakthroughs in design and materials, appear to have the capability of meeting statutory emission standards."

The latter are also capable of operating on several different fuels, and the Stirling is highly promising from the fuel economy and noise standpoints as well. Two engines, the diesel and the turbine, have inherent noise defects to be controlled.

In the safety field, crash avoidance probably will include changes in braking systems, lighting and field of vision.

The primary materials change in the post-1980 period may be the continued substitution of plastics and aluminum alloys for steel. At present, aluminum makes up about 85 pounds of an average auto's weight. By 1985 this could increase to about 300 pounds, replacing 525 pounds of steel, a net reduction of 225 pounds. This substitution could mean a 7 percent reduction in total auto weight from today's average.

The report points to studies suggesting that the primary engine for post-1985 autos will be the Stirling, assuming that research and development is successful, due to its high fuel economy and its low emissions.

If ceramics research is also successful, the report adds, the gas turbine (Brayton) engine would be competitive in both fuel economy and emissions with the Stirling.

The authors do not expect the Rankine cycle (steam), the electric or electric hybrid engines to be competitive or fully developed until beyond 1990.

If ceramics research does not succeed in time for 1985 use in other engines, the fuel economy of the Stirling engine will then be the highest of all engines, ranging from 25 mpg. for large autos to 39 mpg. for small autos based on 1975 weights.

The engine candidates for the period to 1985 will continue to be conventional gasoline and increasing numbers of diesels. Stirling and Brayton engines are not likely to be introduced to production at a significant volume by 1985.

With regard to emission controls, carbon monoxide (CO) emissions clearly damage air quality, and autos are a large contributor to CO levels in urban areas, the report comments. However, the statutory standard of 3.4 grams per mile is regarded by some authorities as more rigorous than necessary to protect public health.

The gas turbine and Stirling engines produce less emissions of HC (hydrocarbons) and CO because they are continuous combustion engines. Forecasted emission rates for the Stirling engine without controls appear to be less than half the legislated standard. New pollutants may become a problem due to the different fuels that these engines can burn. In view of emission levels forecast for these engines they will probably require no emission control devices other than control of air-fuel mixtures.

"Generally, then, for the air pollutant emissions, as for fuel economy, the gas turbine and Stirling engines will clearly be the best choices when they are available, provided their research and development promise holds up," the report concludes.

Domestic Business Report

Kreps' Mission To Rochester: How Can Commerce Help?

COMMERCE SECRETARY BEGINS SERIES OF VISITS TO BUSINESS COMMUNITIES OF MEDIUM-SIZED CITIES

In an effort to "bring Washington to the people"—and vice versa—Secretary of Commerce Juanita M. Kreps will visit Rochester, New York, this week to begin establishing closer ties with the nation's workaday business people.

The Nov. 10 event will be the first in a series of three to four yearly visits to business communities of medium-sized cities in different parts of the country.

The Secretary has been meeting regularly with members of the Business Roundtable and other Washington-based groups representing business. "But there's simply no substitute for getting out into the country to meet with the business people, to learn first-hand what their problems are and what they think Commerce can do to help," said an aide.

URBAN CONFIDENCE — *The Lincoln Square building in downtown Rochester reflects the confidence of the city's business community in the future of the city center. One of the major reasons prompting Secretary Kreps' Nov. 10 visit to the city has been its success in keeping its major businesses from leaving.*

Mrs. Kreps feels that Rochester is the kind of city where a federal agency's presence can have a real impact. It's small enough to reflect any economic inputs, and it's a town where city officials and the business community have a very strong partnership and have already achieved a great deal together.

In short, it's a community that has already demonstrated that it's willing and able to help itself.

Rochester is having a strong revival. The downtown business district has already had a major revitalization, with the help of more than $11 million from Commerce's Economic Development Administration. However, unemployment has remained high, and during the visit city officials will present Mrs. Kreps with their recently-drafted Overall Economic Development Program (OEDP).

She will meet with selected representatives of the minority business community, civic leaders, and officials of major corporations before addressing a luncheon of 700 on the subject of business retention by center cities.

Rochester is one of the most export intensive areas in the United States, with the Rochester metropolitan area ranking eighth among all U.S. metropolitan areas in export activity, Mrs. Kreps pointed out. The city ranks first in the nation in the exporting of high technology abroad.

"With the huge trade deficit the United States is running, it is of vital importance that the Department learn from communities such as Rochester how other cities might be able to improve their export performance," Secretary Kreps said.

In addition to former Rochester Vice Mayor Midge Costanza, Secretary Kreps will be accompanied by: Dr. Michael S. Koleda, Director of the White House Conference on Balanced National Growth and Economic Development; Frank A. Weil, Assistant Secretary of Commerce for Domestic and International Business, whose agency is involved in export promotion; Robert T. Hall, Assistant Secretary of Commerce for Economic Development; Anne Wexler, Deputy Under Secretary of Commerce for Regional Affairs; Dr. Randolph T. Blackwell, Director of the Department's Office of Minority Business Enterprise, and Lawrence O. Houstoun, Assistant to the Secretary, who is a specialist in urban affairs.

Case Studies Consider Productivity Improvement Through Worker Attrition

What happens when a company wants to install labor-saving equipment, but has pledged itself not to lay off workers? A new publication from the National Center for Productivity and Quality of Working Life, *Productivity and Job Security: Attrition—Benefits and Problems*, comes up with some answers.

The book presents three case studies: *The New York Times'* composing room; an ALCOA company smelting and rolling mill in Tennessee; and Huntington Alloys, Inc., a processing subsidiary of INCO in West Virginia.

In the *Times* case, an attrition clause in a union contract allowed for the introduction of automation providing lifetime jobs were guaranteed for the composing room's more than 800 regular employees. By setting up a new seniority structure, an attrition clause and a wage boost, ALCOA was able to increase productivity by 30 percent with fewer man-hours and invest the savings in new plant facilities. At the urging of its Steelworkers' local, the Huntington Alloys plant replaced an individual incentive scheme with a Scanlon Plan.

This is the second volume in a series of case studies on productivity and job security published by the Center. An earlier booklet discussed job security through retraining. Both books are available at no charge from: National Center for Productivity and Quality of Working Life, 2000 M St. NW., Washington, D.C. 20036.

Retailers Urged To Step Up Orders From Import-Injured Shoe Manufacturing Firms

Under Secretary of Commerce Sidney Harman has urged independent U.S. retailers to help injured domestic footwear manufacturers through stepped-up orders to help stimulate domestic production.

Speaking to the board of directors of the National Shoe Retailers Association and heads of U.S. footwear manufacturing firms at a meeting in Washington, D.C., Under Secretary Harman also noted that the Commerce Department is evaluating greater use of technology in the shoe industry and is cooperating with the American Footwear Industries Association to substantially increase U.S. shoe exports.

Both projects are components of a three-year, $56 million footwear industry program administered by the Commerce Department. The program was developed in July in response to a directive from President Carter to provide an expanded and more effective program of assistance to those segments of the U.S. shoe industry that have been seriously harmed by imports.

Harman said that U.S. shoe retailers have shown an increasing willingness to cooperate with domestic shoe manufacturers in developing new buying relationships. These could be mutually beneficial in the long run, Harman said, by reducing the paperwork, lead-time, and financing required for importing; and could also give retailers the advantages of working with domestic suppliers who are able to respond more readily to the demands of the market.

Furthermore, the increased application of available technology as well as innovative manufacturing, and marketing techniques provided to U.S. footwear manufacturers through the Department's Specialist Team Assistance Program, should improve the industry's competitive posture.

Harman noted that more than 50 U.S. footwear firms have petitioned for assistance in the past 3 months, nearly twice as many as had petitioned in the previous 15-year history of the trade adjustment assistance program.

The Commerce Under Secretary stressed, however, that much more than conventional trade adjustment assistance is involved in the special footwear program. "We are also mobilizing the full resources of the Department of Commerce to develop a broad array of tools to help the shoe industry help itself.

"We are certifying firms for assistance under our new program within 30 days of application, as compared with the 60 days allowed by law," Harman said. "We have put specialist teams in the field and some have already reported back. And we have received additional assurances from retailers that they will increase efforts to buy from troubled American firms."

Other elements of the Commerce program include:

- *Organization.*—A special task force called the Footwear Industry Team has been formed to develop and coordinate implementation of all elements of the program, and to serve as a point of contact in the Department for footwear firms; the team includes executive talent from the footwear industry;
- *Outreach.*—The Department has conducted six regional seminars, with attendance by more than 200 footwear firms; direct mailings to over 400 firms; and hundreds of telephone contacts to inform footwear firms about the criteria, procedures, and benefits of the program;
- *Technical assistance from specialist teams.*—Four specialist teams are already in the field working with certified footwear manufacturers. The mechanism for providing such technical assistance is being streamlined, and additional teams will be in the field in a matter of weeks. The Department intends to have such teams on the premises of footwear firms within 15 to 20 days of their certification.
- *Loans and Loan Guarantees.*—The procedures for obtaining loans and loan guarantees are being revised and streamlined. Preparation of an adjustment plan (for which Specialist Team Assistance is available) must precede an application for a loan;
- *Retailer's Cooperation.*—The Department is encouraged by the cooperation it is receiving from retailers and their trade associations in developing procedures to bring together cooperating retailers and domestic footwear manufacturers. This voluntary program should be fully operational within three months.

Foreign Markets Sought For American Fish Catch

The Commerce Department will fund a many-sided study to pinpoint foreign and domestic markets for fish and shellfish found within the U.S. 200-mile territorial limit and the Great Lakes but not developed fully by U.S. fishermen.

The study will undertake to determine the financial, technological, and institutional barriers to the development of these resources in the United States.

"We are harvesting about 2.8 billion pounds of edible seafood now," commented Commerce Secretary Juanita M. Kreps, "and we have the opportunity to catch 24 billion pounds. The Fishery Conservation and Management Act provides us an excellent export potential, since almost the entire catch being made by foreign vessels in the 200-mile zone is consumed abroad. It would be reasonable to assume that we can win a significant share of their seafood market."

She said the Department's National Marine Fisheries Service (NMFS) is expected to award a contract for the study by the end of the year.

The study will determine marketing opportunities and provide specific information on market structures, product packaging, and labeling requirements, as well as identify tariff and non-tariff barriers of 15 major fish and shellfish-consuming nations in Western Europe and the Far East.

In addition, the study will consider the feasibility of establishing an Export Market News Service to provide current market information in many foreign markets.

An assessment of the domestic market requirements over the next ten years also will be made.

After the opportunities in the foreign and domestic markets are defined, an analysis will be made of the current status of domestic harvesting and processing capabilities, including legal and institutional barriers that inhibit productivity, increase costs, and limit opportunities for growth.

Restated Money Model Purchase Plan Available To Corporate Employers

A Restated Model Money Purchase Plan for corporate employers to use in replacing their existing money purchase plans is now available from the Internal Revenue Service.

The restated model money purchase plan, if adopted in its entirety and without changes, will automatically meet the qualification requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

Revenue Procedure 77-15, outlining adoption procedures and limitations on the use of this model plan, was announced in a May 10 IRS news release and published on page 25 of Internal Revenue Bulletin No. 1977-21, dated May 23.

This model plan cannot be used in all situations. It may not be adopted by an employer having any other plan, or whose workers include seasonal employees, employees in a maritime industry, shareholder-employees, or employees on whose behalf contributions are made to a section 403(b) annuity. In addition, the plan is not designed to be used in the cases cited in section 4.07 of the Revenue Procedure.

Copies of the restated model money purchase plan and instructions will be available soon at IRS District Offices.

A model profit-sharing, a model money purchase, and a restated model profit-sharing plan are already available.

KEY BUSINESS INDICATORS

QUARTERLY SERIES

Indicators	I Qr77	II Qr77	III Qr 77	Percent Change From Year Ago
GROSS NATIONAL PRODUCT				
(bil.$) annual rate	1,810.8	1,869.9	1911.3	10.7
REAL GNP				
(% change) annual rate	7.5	6.2	3.8	4.6
CORPORATE PROFITS [1]				
(bil.$) annual rate	125.4	140.2	—	8.5
OUTPUT PER HOUR, NONFARM BUSINESS SECTOR [3]				
(% change) annual rate	4.8	0.7	3.5	1.8
UNIT LABOR COST [3]				
(% change) annual rate	5.3	7.5	3.3	6.2
PERSONAL INCOME				
(bil.$) annual rate	1,476.8	1,517.2	1548.3	11.1
REAL DISPOSABLE PERSONAL INCOME				
(% change) annual rate	3.1	7.3	2.9	4.5

MONTHLY SERIES

Indicators	July	August	September	Percent Change From Year Ago
RETAIL SALES				
(bil.$)	58.9	59.7	59.0	9.1
CONSUMER PRICE INDEX [3]				
(% change)	0.4	0.3	0.3	6.6
WHOLESALE PRICE INDEX [3]				
(% change)				
Finished goods	0.0	0.1	0.4	6.5
Consumer	—0.1	—0.1	0.3	6.4
Producer	0.4	0.4	0.5	6.7
Farm products, processed foods and feeds	—2.1	—2.1	—0.4	0.5
Industrial commodities	0.5	0.5	0.8	7.0
Crude materials	0	1.9	0.3	12.2
NEW FACTORY ORDERS				
(bil.$)	108.6	111.1	—	13.8
Durable goods (bil.$)	56.0	58.3	58.6	17.1
FACTORY SHIPMENTS				
(bil.$)	109.2	111.0	—	12.0
BUSINESS INVENTORIES				
(bil.$)	317.2	319.8	—	9.0
INDUSTRIAL PRODUCTION [2]				
(1967 = 100)	138.8	138.2	138.8	6.3
HOUSING STARTS				
annual rate (mil. units)	2.08	2.03	2.04	15.4
CIVILIAN LABOR FORCE [3]				
Total (thousands)	97,305	97,697	97,868	2.8
Employed	90,561	90,771	91,095	3.8
Unemployed	6,744	6,926	6,773	—9.1
Unemployment rate (%)	6.9	7.1	6.9	*
EXPORTS				
(mil.$)	10,150	9,563	10,916	11.4
IMPORTS				
F.A.S. transaction value	12,476	12,232	12,631	18.6
C.I.F. value	13,330	13,051	13,484	17.8

ALL DATA SEASONALLY ADJUSTED.
Original data from the Bureau of Economic Analysis and the Bureau of the Census except as noted.
[1] **Including inventory valuation and capital consumption adjustments.**
[2] **Federal Reserve Board.**
[3] **Bureau of Labor Statistics.**
* **Unemployment rate in September 1976 was 7.8 percent.**

As of Oct. 27, 1977

FOREIGN INVESTORS FOUND U.S. ECONOMY ATTRACTIVE IN 1976

A perkier U.S. economy attracted much more money from abroad during 1976.

Foreign direct investment and loans in the United States rose $2.5 billion, or 9 percent, in 1976, to $30.2 billion, according to Commerce's Bureau of Economic Analysis (BEA). This reflects the net book value of foreign parents' equity in, and outstanding loans to, U.S. affiliates.

The $2.5 billion rise consisted of net capital inflows of $2.2 billion, reinvested earnings of $1.6 billion, and a negative valuation adjustment of $1.2 billion; the latter mainly reflected reclassification to U.S. ownership of a large petroleum investment previously attributed to the U.K.

The rise reflected the recovery of the U.S. economy as well as recent changes in relative costs of production that have made the United States a more attractive location for foreign investment. The five countries that accounted for the largest increases were the Netherlands, Germany, Canada, Japan, and France.

Net capital inflows increased 54 percent, following a sharp decline in 1975. The increase reflected a large shift to net inflows from Germany. The shift was largely due to inter-company financing of trade affiliates and a large equity investment in a U.S. chemicals manufacturing company. There were also large increases in inflows from Canada and from other Western Hemisphere countries; the latter were mainly from holding companies in Caribbean countries.

Reinvested earnings increased 33 percent, compared with a 12-percent increase in 1975. A large increase for Japan resulted primarily from increased earnings of trade affiliates that accompanied the rise in U.S. imports, particularly of automotive products from Japan. The large increase for the Netherlands was primarily in petroleum.

Adjusted earnings—the return on the investments and loans—were $2.9 billion, up 32 percent. The rate of return increased to 10.2 percent from 8.5 percent in 1975.

Major revisions to the series were made to incorporate information from the 1974 benchmark survey of foreign direct investment in the United States and to exclude data for a large U.S.-incorporated petroleum company.

Additional details, including a discussion of the revisions, are contained in the October issue of the *Survey of Current Business*, a monthly publication of BEA. The *Survey* is available from most District Offices of the U.S. Department of Commerce, or the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 at an annual subscription price of $19; single copy, $1.60.

CHIEF ECONOMIST SEES FURTHER STRONG GAINS IN BUSINESS INVESTMENT

The following is excerpted from a speech by Dr. Courtenay M. Slater, Commerce's chief economist, to the Conference Board's 1977 Marketing Conference.

To me, investment prospects seem reasonably bright. Increases in business investment this year have been stronger than one might guess from much of the discussion of this subject. In 1976 real business fixed investment grew only 3.6 percent, quite a disappointing performance. This year, however, the increase should fall in the 8 to 9 percent range; that is, more than twice as rapid as last year. I do not find that disappointing. Nor do I see why next year's gain should not be equally as strong, or stronger: the underlying needs for modernization and expansion are there, and the determination of this Administration to sustain steady economic growth holds promise of good future markets for the expanded output which new investment will make possible.

There has been much discussion of various uncertainties which may retard business investment. One frequently cited area of uncertainty has to do with costs and prices. With the unhappy 1973-74 bout with inflation still fresh in our minds, fears of a new round of accelerating price increases are understandable.

Understandable, but misplaced.

Inflation is proving an intractable problem, but not a worsening one. The inflation rate will be just about 6 percent this year. Next year's rate should not be significantly higher, and there is at least a fair chance that it will be a bit lower.

I do not mean to imply that a 6 percent inflation rate is at all satisfactory. Certainly it is not. But, on the other hand, neither does it represent the worsening and highly uncertain situation which some in the business community profess to fear. As recognition widens that inflation is being contained, this will be a favorable factor for investment.

An element which currently poses a bigger question mark for investment is the status of the President's energy program. From the business point of view, it is natural and prudent to wait until greater certainty emerges regarding fuel prices, requirements for conversion to coal, and the like before proceeding with certain types of investment decisions.

A major policy initiative such as the energy program could not have been proposed, debated and enacted without going through a period of uncertainty. Our system of government with its separation of powers wisely provides for a process of public discussion, debate and compromise.

However, it is time now for the uncertainty to be brought to an end. The energy program has been thoroughly debated in both Houses of Congress. From an economic point of view, it is important that the Conference Committee now reach agreement on legislation which preserves the key elements of the President's program. When this is done, one of the major uncertainties in the economic outlook will have been resolved. Investment in energy production, conservation measures and conversions from oil to coal will play a major role in next year's investment total.

Should Congress fail to enact an energy program acceptable to the President, or should the conference procedure drag on beyond a reasonable period, uncertainties in this area will continue to retard growth in the key business investment sector.

Big role for consumers

Personal consumption spending makes up about two-thirds of the gross national product. Growth of consumer spending has been the main source of strength during most of this recovery period. Indeed, through the first quarter of this year consumption had grown more rapidly than disposable income, producing a steady decline in the personal saving rate to an extraordinarily low 4.1 percent in the first quarter. By the third quarter, the saving rate had returned to a somewhat more normal 5.5 percent. This still is on the low side of the historical average, however. Thus, over the next year, consumption cannot be expected to grow any faster than disposable income and could well grow a bit more slowly.

One's view of the outlook for this largest sector of the economy therefore turns on one's expectations about growth of income and employment. Employment growth this year has been extraordinary, with the total number of people at work rising 3.4 percent from the third quarter of last year to the third quarter of this year. Strong employment gains should continue next year, but not quite this strong, suggesting slightly slower growth of wage and salary income.

In the early part of 1978, after-tax disposable income growth will be assisted by unusually large tax refunds—a correction for the over-withholding which took place early this year, before the increase in the standard deduction was enacted. An additional strengthening factor should be a slower rise in state and local taxes resulting from the improved budget picture at this level of government.

On the other hand, social security taxes will be higher next year, and continuing inflation will be pushing individuals into higher marginal federal personal income tax brackets. Without some adjustment in the tax structure, disposable income growth must be expected to slow down as 1978 progresses. This would translate into slower growth of personal spending and overall GNP.

All this tells us, really, is that, in an inflationary environment, tax adjustments are necessary from time to time. It will not have escaped your notice that there has been increasing discussion of the likelihood that mid-1978 will be such a time.

Some of the business community have expressed concern, however, about the "quick-fixes" to which Washington may resort if growth slows down. I do not myself see how a balanced package of personal and business tax reductions can be described as a quick fix. Rather, it would be a necessary adjustment to economic circumstances. I would think such measures would have wide business support.

In this same context, the main tax change enacted this year—the increase in the standard deduction—was not a "quick-fix" but a permanent adjustment and a highly useful one, without which the private economy could have looked very weak indeed in the quarter just ended.

The job-creating spending programs currently also making an important contribution to economic growth do fall into the temporary category. They were designed to deal with immediate and urgent needs, and appear to be doing so quite successfully. They will begin tapering out after the middle of next year, however.

This is an additional reason why more permanent measures to support the private economy will be required. Personally, I feel good about the economic outlook for next year because I feel confident that the Administration's commitment to sustaining economic growth will bring appropriate policies as they become necessary.

Proposal To Broaden Motor Carriers' Airport Service Area Endorsed

An Interstate Commerce Commission proposal to expand the areas around airports where motor carriers can pick up and deliver freight and passengers has won Justice Department support.

Justice's Antitrust Division supported a proposed Commission rule to redefine "air terminal area" as the area surrounding an airport, instead of the area surrounding the city served, and to expand airport terminal areas from the present limit of 25 miles to 100 miles. It said the proposed rule would encourage competition and should lead to improved service and lower rates for passengers and freight shippers.

Justice called the present 25-mile limitation outdated, because airports are now being located farther from major cities, and many businesses in metropolitan areas served by air transportation are denied the advantages of freely competitive pickup and delivery service under the Commission's present practice, Justice concluded.

STUDY PRODUCES DATA ON TRUE DIMENSIONS OF U.S. FIRE PROBLEM

One of the major difficulties in coping with the nation's fire problem was the fact that there simply wasn't any reliable data indicating the size of the problem.

With the preparation of *Fires in the United States*, Commerce's National Fire Prevention and Control Administration has taken a giant step toward resolving that problem. The full report will be issued later this year.

The executive summary of this compilation of NFPCA's first national estimates of fire losses reveals that, each year, the nation has:

- 2.6 million fires that are attended by the fire service, and another 30 million, mostly minor, that are not reported;
- 7,500 fire deaths;
- 110,000 fire injuries and an estimated 200,000 additional injuries from reported fires; and
- $4.2 billion in direct property loss from fires.

Howard D. Tipton, NFPCA Administrator, said that residential fires are the main killer and "should receive priority in developing prevention programs if we are to significantly reduce fire deaths in this country."

According to the summary, roughly two-thirds of the U.S. fire deaths occur in ones and twos in the victims' own homes. Less than 4 percent of the fire deaths take five or more lives at a time. Only a small fraction of fire deaths (for example, 7 percent in California and Ohio) are in commercial or institutional structures.

Other conclusions of the study are:

- males (especially non-white males), elderly, and children are the three highest-risk groups;
- males outnumber females almost two to one as fire-death victims;
- non-white males have more than twice the death rate of white males and almost twice that of nonwhite females; and
- non-white females have almost three times the fire-death rate of white females.

The summary suggests that state and local governments should analyze their own fire problems and not rely on data from others. While national trends and regional similarities exist, there are striking differences from place to place in important aspects of the fire problem. For example, among six Ohio cities of more than 200,000 population, cooking-related fires varied from 11 to 89 per 100,000 and incendiary fires from 38 to 98 per 100,000.

Fire-death rates are highest in the Southeast (over 40 deaths per million) and lowest in the West and a scattering of other states (less than 23 deaths per million).

Tipton pointed out that while the annual U.S. fire-death rate has declined slightly over the last 20 years, the average financial loss, adjusted for inflation, has increased by about 40 percent over this same period. But, overall, losses have remained a fairly constant percent of the gross national product.

In developing these estimates the National Fire Data Center used data from its National Fire Incident Reporting System, the National Fire Protection Association, the Department of Health, Education and Welfare, the National Household Fire Survey, and state fire marshal reports.

"Fires in the United States" will soon be available from NFPCA, Fire Reference Service, Box 19518, Washington, D.C. 20036.

UNIFIED FEDERAL STATISTICAL SYSTEM SEEN AIDING BUSINESS

Transfer of the government's statistical policy function to the Commerce Department is expected to create a more effective federal statistical system for use by the nation's business community.

"I intend to intensify efforts to improve the reliability, consistency, and timeliness of government statistics," said Commerce Secretary Juanita M. Kreps.

"The statistical system has grown in many directions over the years and there has been concern for some time about the fragmentation of programs," the Secretary added. "There are many opportunities for streamlining the statistical system and making it more responsive to the needs of business executives, federal policymakers, state and local governments, academicians and other users."

Secretary Kreps said that in the immediate future the newly-formed Office of Federal Statistical Policy and Standards will give special attention to three activities:

► Preparation for publication of the results of a current project entitled *A Framework for Planning U.S. Federal Statistics, 1978-89*. This project will include opportunity for substantial public comment and will provide a basis for initial priority decisions concerning coordinating and improving federal statistical programs;

► Work on statistical reorganization with the President's Reorganization Project, and

► Preparation and extension of statistical standards. The new Office will shortly issue the Standard Occupational Classification System which has been under development for several years. This classification will be important for use in the 1980 Census of Population and Housing and will be integrated into several other governmental programs, including standard occupational statistics in the field of education.

Denver Test Will Try To Promote Acceptance Of Energy-Saving Items

Denver has been selected as a test city to study consumer willingness to buy energy-saving products.

The pilot marketing research project, sponsored by the Energy Department, will include an advertising and media campaign to encourage area consumers to buy energy-efficient products. The campaign is a key part of the research to determine whether consumers can be motivated to buy energy-saving products once they understand that they will save money in the long run.

"When buying products, consumers should consider the operating cost over the life of the investment, in addition to the price," said the Energy Department's Dr. Gene G. Mannella. "In today's market, lowest price does not necessarily mean lowest cost. Unfortunately, consumers are not used to considering the energy costs over the years."

An evaluation of the campaign will include a comparison of local consumer attitudes toward energy conservation before and after the campaign.

Denver was selected because of its geographical location, size, representation by major retail outlets, media isolation, state and local government support, and its historical acceptance by the business community as a test market center.

Energy-saving products being publicized include automatic set-back thermostats, insulation blankets for water heaters, electronic pilot lights for gas ranges; fluorescent lights; adequate ceiling insulation; storm windows and doors, as well as the most efficient appliances currently on the market.

Conference To Stress Solar Energy's Business Aspects

The second national conference, The Solar Energy Business: Opportunities And Outlook, will be held February 2-3 at The Adams Hotel in Phoenix, Arizona.

The conference was created specifically for the contractor who is already in the solar energy business or considering entering it. The program features a panel of experts, including men who grew up with the business, plus others from government, consulting and legal professions. They will analyze and discuss such issues as economics, costs, prices, standards, law, legislation, government programs, and other pivotal issues which are presently affecting the solar energy business and business executive.

Contact Robert W. Nash, Executive Director, The Energy Bureau Inc, 101 Park Ave., New York, N.Y. 10017 (212-889-7657).

Final Product Reliability Report Stresses Importance Of Reliable Data Base

An improved data base is an essential first step in the solution of product liability problems. The Interagency Task Force on Product Liability's final report says that premium, loss and claim data should be collected in a manner that is as statistically sound and reliable as possible for ratemaking and other purposes. A better data base, it explained, will permit examination of actual trends in product liability claims and costs to insurers.

The 600-page report discusses the whole gamut of product liability problems and proposed remedies, including the question of insurance availability and affordability, trends in number of claims, compensation obtained by persons injured by products, worker compensation, product liability loss prevention, the tort litigation system, the no-fault compensation system, a time limit on responsibility for claims, a state-of-the-art defense in claims cases, contingency fees, federal insurance and reinsurance, and other matters.

The report contains no specific legislative recommendations.

Commerce Under Secretary Sidney Harman, chairman of the Task Force, pointed out that the report was the culmination of more than a year of effort by the Task Force and numerous others.

While the report does not represent the views of the Administration, he explained, the basic policy guideline was to be objective, disclose the facts or lack of facts, and consider the competing concerns of all affected groups. He expressed the hope that the report would allow all concerned to appreciate the strengths and weaknesses of their positions and that it would lead to constructive solutions.

Harman told a news conference that in his judgment the product liability situation would grow worse unless significant corrective action is taken, and that the failure to take such action would be a burden to the entire nation.

The Task Force found that very little solid information is available with respect to some of the subjects involved in the product liability problem. The best estimate of the number of product liability claims filed in 1976, the group said, is between 60,000 and 70,000. In the target industries covered by the inquiry, it added, the average number of pending claims appears to have increased substantially between 1971 and 1976.

In a summary of major impacts of the product liability problem, the Task Force said:

—There is no widespread problem of product liability insurance being unavailable. A few companies in the target industries and other high-risk product lines are having difficulty obtaining product liability insurance, and for some others product liability rates would appear to be unaffordable, which amounts to unavailability.

—Policy limitations that insurance companies have been willing to offer for products coverage do not appear to have changed significantly since 1971. Thus insurance companies are not forcing insured companies to retain more risks by reducing the amount of coverage that they are willing to make available. Yet some underwriters are reluctant to increase the limits of liability for existing coverage. Therefore, some manufacturers who seem to be faced with increasing risk exposure for their products may be unable to protect themselves against the increase by raising the limits of their coverage.

—Deductibles appear to be increasingly prevalent among the target industry groups. Moreover, the levels of deductibles appear to have increased significantly between 1975 and 1976 for both large and medium-sized firms. These increases may be a matter of choice on the part of the insured companies rather than a requirement of the insurance companies.

—There has been a substantial increase in the cost of product liability insurance since 1974 in all of the target industries. The increase in premiums appears to have been greater for small business.

Certain industries appear to have been subject to very substantial increases. These include manufacturers of medical devices, pharmaceuticals, power lawnmowers, industrial chemicals and metal castings. Anecdotal data show similar impacts on manufacturers of sporting goods and ladders.

—The average cost of product liability insurance is less than 1 percent of sales in most industries, but it is as high as 10 percent for some manufacturers.

—Product liability problems in the pharmaceutical and other high-risk product lines may reinforce trends against new product development with the result that some socially beneficial products may never be developed or may be discontinued. This is especially true of smaller firms.

—Product liability problems do not appear to have been a direct and sole cause of business failures. Still, circumstantial evidence suggests that substantial product liability premium increases may be one of several factors that cause small businesses in high-risk product industries to go out of business.

—A small percentage of persons injured by products file product liability claims. There is little information available regarding the compensation obtained by claimants, although a preliminary closed claim survey suggests that a relatively high percentage receive their medical expenses, wage losses and other out-of-pocket expenses other than legal fees.

Various data sources suggest that less than 6 percent of product liability claims are litigated to a final court verdict. Of those who litigate cases, less than 50 percent recover damages.

—Limited data suggest that any increase in product liability claims is not due to an increase in the number of product-related accidents. This finding appears to be firmer for workplace products than consumer products.

—Some persons injured by products in the workplace are supplementing their worker compensation recovery by product liability suits. Insurers stress that workplace accidents and resulting product liability claims have been an important cause of the product liability insurance rate increases generated for industrial products in target industries.

Also, insurers appear to have supplied product liability advice more frequently to large insured companies than to small ones.

The Task Force identified three principal causes of the product liability problem: liability insurance ratemaking procedures, manufacturing practices and their remedies, and the tort litigation system. Lesser causes were described as inflation, consumer and worker awareness of their legal rights, increases in the number and complexity of products, and product misuse.

The legal study made for the Task Force showed that strict product liability became an important force in 1965, and that by 1971 and 1972 a number of states had adopted strict product liability theories. Still, this did not change the insurance company practice of combining product liability coverage in Comprehensive General Liability packages.

The Task Force said that this factor, along with uncertainties in insurance company reserve practices, made it almost impossible to obtain an accurate profit and loss picture for product liability insurance.

Circumstantial evidence, the group added, suggests that some insurance companies engaged in "panic pricing." It would appear, the Task Force said, that some firms may be paying a higher premium, and others a lower, than data would justify.

In suggesting remedies to improve ratemaking procedures, the Task Force explained that product liability insurance rates and premiums should be more closely related to statistical assessments of product risks.

The group also made these points:

—Rates for most product liability insurance risks are based on subjective estimates of anticipated loss costs. Therefore, it is not possible to draw direct correlations between premiums and product risks.

—Product liability insurance rates and premiums should be monitored to insure

that they are fair, nondiscriminatory and reasonably related to product risk. Consideration should be given to targeting review of rate increases exceeding a threshold amount.

Such a procedure would focus regulatory attention on the rates and premiums having the most adverse effects on business.

To achieve this goal, it is essential that state insurance regulators have access to a data base which includes nationwide experience on all product liability claims.

—Greater financial disclosure and accountability should be promoted in product liability insurance. It would be constructive if a system were devised whereby insurance companies would report all product liability experience as a separate line in their annual report filed with state insurance departments.

This would permit examination of aggregate product liability experience of insurance companies. Also it would appear to be both in the interest of insurance companies and the public to provide information that would enable regulators and others to get a more accurate assessment of the complete financial situation of insurance companies.

Regarding remedies for unsafe manufacturing practices, the Task Force said:

—Any government pooling or reinsurance mechanism allowing a subsidy to individual companies having product liability insurance should include a provision which would provide product users with the assurance that the program's participants utilized reasonable product liability loss prevention techniques.

—Those charged with the responsibility of approving insurance rates should carefully consider developing a technique whereby insurance companies would build into product liability insurance rates an appropriate discount when insured companies used proper product liability prevention techniques.

—Under existing legislation, it would be possible to ask an appropriate federal agency to coordinate product liability risk information for a number of agencies and make it available to manufacturers that could benefit from it.

Other conclusions of the Task Force included the following:

It would be useful to study further the utility of a no-fault compensation system.

While there is some merit in the idea of placing a time limit on a manufacturer's duty to product users, fixed statutes of repose may work a hardship on injured parties.

Defense costs, rather than contingent fees, have directly affected the cost of product liability insurance. It may be more appropriate to penalize lawyers who bring frivolous suits by imposing sanctions against them than to abolish the contingency fee system.

MINORITY BUSINESS CONVENTION—*More than 800 minority entrepreneurs and government and corporate representatives attended the National Business League (NBL) 77th Annual Convention held recently in Norfolk, Va. The membership passed resolutions proposing specific actions aimed at reaching economic parity for minority business enterprise. In photo above, left to right, Charles Williams, vice president of Schenley Affiliates and NBL board chairman; Dr. Randolph T. Blackwell, director of Commerce's Office of Minority Business Enterprise (OMBE); Amelia L. Parker, White House staff assistant; and Dr. Berkeley G. Burrell, NBL meet at OMBE booth.*

Firms Invited To Apply For American Samoa Duty-Free Watch Quota

Time is running out on U.S. firms which wish to apply for the 1978 duty-free watch quota in American Samoa.

The Commerce and Interior Departments will use three criteria in evaluating the applications, which must be received by December 9:

(1) the applicants' ability to establish a stable watch assembly operation in American Samoa; (2) their ability to market their product successfully; and (3) their potential for making positive contributions to the insular economy.

The invitation was made pursuant to the Departments' authority to allocate duty-free watch quotas to producers in the U.S. insular possessions—The Virgin Islands, Guam, and American Samoa.

Watches and watch movements produced or assembled in the insular possessions may be imported free of duty provided their foreign content does not exceed 70 percent of appraised value.

The amount of the 1978 quota will not be definitely known until the International Trade Commission determines, on or before April 1, the total apparent U.S. consumption of watches and watch movements during calendar year 1977. The American Samoa quota in 1977 totaled 309,000 units, but the Commerce and Interior Departments estimate that the 1978 quota will be somewhat lower.

Due to the limited amount of the quota, it is the policy of the Departments to allocate the entire amount to a single firm.

Interested persons and firms may obtain additional details from the Special Import Programs Division, Office of Import Programs, Room 6895, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-2197).

Rail Map Package Details 20,000 Miles Of Trackage Slated For Abandonment

The Interstate Commerce Commission has issued a set of system-wide diagram maps identifying more than 20,000 miles of track the nation's railroads have said they want to abandon or may consider for abandonment. The figure represents about 10 percent of the nation's total railroad trackage.

The map package is a compilation of individual system maps each of the railroads was required to file with the Commission. They represent a composite overview of the nation's present and future rail systems, the Commission said, and are intended to promote cooperative rail planning as well as to develop alternatives to rail abandonments.

Included in the map package are:

- An overview of the Commission's abandonment process;
- Statistical highlights and an explanation of the maps;
- Summary data of abandonments by state and by rail carrier;
- Print-outs identifying all lines designated on carrier-filed maps, and
- A set of 41 color-coded consolidated rail system diagrams.

Copies of the map package are available, free of charge, from Richard Chais, Room 3371, Interstate Commerce Commission, Washington, D.C. 20423 (202-275-7692).

Several New Publications Aimed At Business Reader

A number of publications have been issued recently that may be of interest to *Commerce America* readers.

Practical Accounting for Small Businesses, by Lyn Taetzsch, consultant, and Laura Taetzsch, CPA, provides a guide to the theory and practice of accounting for the business owner or manager. The book is aimed at both the entrepreneur starting a small business from scratch and the manager of an established business with complex operations. Published by Petrocelli/Charter, the book is available for $9.95 from Van Nostrand Reinhold, 450 West 33rd St., New York 10001 (212-594-8660).

A Prentice-Hall volume, *Computerized Financial Controls* by Michael R. Tyran, shows how to cut costs and boost profits and efficiency through how-to-do-it recommendations in mechanical data processing. The book, priced at $29.95, can be ordered from Prentice-Hall, Englewood Cliffs, N.J. 07632 (201-592-2489).

The American Society for Quality Control has published a *Guide for Reducing Quality Costs* intended to identify and help solve quality problems in all phases of product life. The 46-page, soft-cover book is priced at $4.50 to ASQC members, $5.50 to nonmembers. It can be ordered from: ASQC, 161 West Wisconsin Ave., Milwaukee, Wis. 53203 (414-272-8575).

Facts & Figures of the Plastics Industry contains information on the feedstocks, resins, machinery and fabricated products phases of the U.S. plastics industry. It includes information on plastics in health care, building and construction, financial and operating ratios, and dollar sales of plastics companies. The 1977 edition can be purchased from Statistical Dept., The Society of the Plastics Industry, 355 Lexington Ave., New York 10017 (212-573-9400).

The 1977 cumulative supplement is now available to *Cases and Materials on Environmental Law* (Second Edition, 1973) from BNA Books. The supplement contains important federal appellate cases decided in 1976 and 1977, and texts of relevant environmental acts and amendments. The book and supplement are priced at $25.50, the supplement alone at $10. Write BNA Books, 1231-25th St. NW., Washington, D.C. 20037 (202-452-4379).

The theme of a newly updated guide to franchising a business is that a proven, successful business, even though relatively small, can expand on a sound basis through franchising without sacrificing ownership or control. *How To Franchise Your Business* is available for $2.95 from Pilot Books, 347 Fifth Ave., New York 10016 (212-685-0736).

Motor Vehicle Facts and Figures '77, published by the Motor Vehicle Manufacturers Assn., contains 96 pages of statistical data covering every aspect of the U.S. automotive experience. Tables cover production, sales and use of autos, trucks and buses; highway fatalities, energy consumption and emission control equipment; and the industry's economic impact on the nation. Limited free copies are available from MVMA, Suite 300, 1909 K Street, NW., Washington, D.C. 20006 (202-872-9349).

Calendar Of Business Events

Nov. 10-12—Ann Arbor, Mich.—How to Manage a Smaller or Rapidly Growing Manufacturing Firm, U. of Mich. Contact: Div. of Mgt. Education, UM, 1735 Washtenaw Ave., Ann Arbor 48109 (313-763-1000).

Nov. 14-15—New York—1977 Int'l Diving & Insurance Symposium, Statler Hilton Hotel. Contact: Maritime Assn. of the Port of N.Y., 80 Broad St., New York 10004 (212-425-5704).

Nov. 14-15—Houston—Budgeting & Effective Cost Analysis, Shamrock Hilton Hotel. Sponsor: N.Y.U. Contact: Heidi Kaplan, New York Mgt. Ctr., Dept 14 NR, 360 Lexington Ave., New York 10017 (212-953-7262).

Nov. 14-16 — Los Angeles — Managerial Skills for the Developing Manager, Sheraton Universal Hotel. Sponsor: N.Y.U. Contact: Heidi Kaplan, see address above.

Nov. 14-16—Alexandria, Va.—Financial Management, Holiday Inn Old Town. Contact: American Graduate U./Procurement Assoc., 733 N. Dodsworth Ave., Covina, Calif. 91724 (213-331-5484).

Nov. 14-17—Columbus, Ohio—Marketing & Design/Build/Lease seminars for the construction industry. Contact: Walter Johnson, Group Communications, 6101 SW Freeway, Suite 401, Houston, Tex. 77057 (713-664-8818).

Nov. 14-17—Los Angeles—Contract Administration & Mgt., University Hilton Hotel. Contact: American Graduate U./ Procurement Assoc., see address above.

Nov. 14-18—Ann Arbor, Mich.—New Frontiers of Management, U. of Mich. Contact: Div. of Mgt. Education, UM, see address above.

Nov. 14-18—Los Angeles—Integrated Logistic Support: Elements & Application, UCLA. Contact: Continuing Education in Engineering & Mathematics, UCLA Extension, P.O. Box 24902, Los Angeles, 90024 (213-825-3344).

Nov. 14-18—Tucson—15th Annual Reliability Engineering & Mgt. Institute, U. of Arizona. Contact: Special Professional Education, College of Engineering, Engineering Bldg. Rm. 221, UA, Tucson, Ariz. 85721 (602-884-3054).

Nov. 15—Phoenix—Federal Procurement Conference, Hyatt Regency Hotel. Sponsors: Reps. John Rhodes, Bob Stump, Eldon Rudd. Contact: Robert Scanlan, c/o Rep. Rhodes, 5040 Federal Bldg., Phoenix 85025 (602-261-3181).

Nov. 15-16—Beverly Hills, Calif.—Quarterly Membership Mtg., Computer & Communications Industry Assn., Beverly Wilshire Hotel. Contact: CCIA, 1500 Wilson Blvd., Suite 512, Arlington, Va. 22209 (703-524-1360).

Nov. 15-17—Washington—Industrial Noise Conrol, George Washington U. Contact: Continuing Engineering Education Program, GWU, Washington, D.C. 20052 (800-424-9773 or 202-676-6106).

Nov. 15-17—Dallas—Engineering Conference/Tool & Manufacturing Exposition and ELEXTEX, Dallas Convention Ctr. Contact: Society of Manufacturing Engineers, P.O. Box 930, Dearborn, Mich. 48128 (313-271-1500).

Nov. 15-17—Philadelphia—Process Energy Economics, Drexel U. Contact: Office of Continuing Professional Education, Drexel U., 32nd & Chestnut Sts., Philadelphia, Pa. 19104 (215-895-2154).

Nov. 16-19—New Orleans—Sea Grant Assn. 10th Annual Mtg., New Orleans Hilton Hotel. Contact: Sea Grant 77, Center for Wetland Resources, Louisiana State U., Baton Rouge, La. 70803.

Nov. 18—St. Louis, Mo.—Federal Procurement Conference, Chase-Park Plaza Hotel. Sponsors: Sens. Thomas F. Eagleton & John C. Danforth. Contact: Michael Ryan, c/o Sen. Eagleton, 1520 Market St., Room 4039, St. Louis, Mo. 63103 (314-425-5067).

Nov. 21-23—Chicago—The Woman Manager in a Changing Environment, AMA Mgt. Center. Contact: American Management Associations, 135 W. 50th St., New York 10020 (212-586-8100).

Nov. 22-26—Miami Beach—Energy Priorities Conference, Americana of Bal Harbor Hotel. Contact: Ann Deatherage, National Institute on Government Purchasing, 1001 Conn. Ave. NW., Suite 922, Washington, D.C. 20036 (202-331-1357).

Export Matchmakers Locate Skilled Marketers For Firms

CONFERENCES IN CHICAGO AND OTHER CITIES FOLLOW NEW YORK LEAD, ALIGN EMCs WITH MANUFACTURERS

New export horizons were opened for Midwest manufacturing companies that came together one-on-one with experienced international marketing specialists in an unusual conference in Chicago last month.

"Our firm is trying to establish a policy that could make us competitive in world markets. We need all the help we can get, and I think we got about all we needed to complete a program for 1978," summed up Robert Zarosi, sales manager for Lighting Products Co. of Highland Park, Ill., as he snapped his brief case shut on an assortment of practical action plans he had obtained in three days of consultations.

Nearby in the McCormick Inn meeting room was Kenneth M. Chakaris, marketing manager for the Hamilton Division of National Gypsum Corp., Winnetka, Ill., who wrapped up his experience there by commenting: "I never realized that there was a level of marketing help with so much assistance for us—I mean the independent EMC. Several excellent recommendations were made by the export management companies we spoke to, adding up to more positive action marketing assistance than I had anticipated."

Zarosi and Chakaris would be classified as guests at the conference. Watching them depart was Wally Pfeiffer of Engineering Equipment Co., Chicago, who expressed the "host" viewpoint: "A conference of this type serves two purposes. First, it gives us EMC's an opportunity to reexamine our own goals and objectives. Second, it is a timely way to convey to manufacturers the value of using our specialized services. It is not primarily to seek new accounts that we participated here, but rather because we are dedicated to serving the small and medium sized firms that otherwise would not have the means to handle export of their goods."

Pfeiffer, in addition to heading his own export management firm, is a spokesman for his colleagues in the Overseas Sales & Marketing Assn., a trade group of Midwestern firms in the export service field.

The meeting of about 90 companies was formally titled the Export Matchmakers Conference. It was the second of its kind held in Chicago. Others have taken place in New York, Syracuse, Philadelphia, Cleveland and Newark. All have been organized by the District Offices of the Commerce Department.

"Yes, I think we should properly be called the matchmakers here," said Alvin Davis of the Chicago Commerce District Office. He had been at the meeting's hub, doing such things as confirming an appointment made by an Iowa City manufacturer with an EMC executive, adjusting the schedule of a Milwaukee firm, or shoehorning a ninth consultation into the crowded datebook of a suburban Chicago company.

"We trade specialists in the Commerce District Office network are particularly gratified at the practical export expansion results being achieved here," Davis continued, "because we consider it our own enterprise. Though we have been encouraged and assisted from Washington, we are proud to say that the Matchmaker concept originated with the Commerce New York office, which proposed and developed the first conference in March of 1976."

Davis explained how the typical manufacturing company attendee—usually a single representative, though some com-

AT RECENT MATCHMAKER SESSIONS—*Participants at the Oct. 20-22 conference in Chicago are shown examining a display of manufacturer's catalogs (left), and then holding a private consultative session to discuss a company's export potential.*

MATCHMAKING CONFERENCES

FIRST IN THE MATCHMAKER SERIES—*New York's World Trade Center was the scene on March 30, 1976 of the inaugural conference. Mayor Abraham Beame opened the event, assisted by (right) Arthur C. Rutzen, director of the New York Commerce District Office, whose trade specialists originated the matchmaker concept.*

ACTION AT NEW YORK CONFERENCE—*This was the scene in part of the consultation area, as EMC representatives met with 600 manufacturing firms interested in initiating or expanding sales abroad of their products by using outside assistance.*

DISCUSSION AT FIRST CHICAGO CONFERENCE—*McCormick Inn was the background in the fall of 1976 for many individual EMC–manufacturer consultations that paved the way for later export ties. Success here led to the repeat event this fall.*

panies sent as many as four executives—had taken part in from six to ten individual consultations with EMC representatives, while allowing time to attend several or all of six practical seminar sessions on export fundamentals. The EMC attendees typically had undertaken a schedule of 10-15 consultations, normally an hour in length, with the manufacturing participants. These had been interspersed between appearances on the seminar panels.

The matchmaking concept had been put to work well in advance of the actual conference. The manufacturer's position in his industry had been defined, and his products identified by precise Standard Industrial Classification code numbers. The range of experience of the exporting companies had been reviewed, and various "matches" proposed. Individual counseling of manufacturers was then done at this point by the Commerce District Office trade specialists, either in Chicago or in eight other Midwest offices. Products were evaluated for sales adaptability to the world markets—and sometimes the applying manufacturers were told candidly that exporting is inopportune for them.

In negotiation mood

"After such preparation," Davis continued, "when the two parties get together here, the mood is generally right for practical negotiations to take place. As a result of our experience at the first Chicago Matchmakers Conference, we screened the applicants more carefully, and eliminated the casual inquirers. We also made revisions in our matchmaking appointments during the conference, arranging additions or deletions as circumstances warranted them."

Davis riffled the attendance list to illustrate the spectrum of products involved: Acra Electric, Alar Engineering, All-Types Rope & Sling Products, Arens Control, Atwood Mobile Products, Ball Corp., Barker Chemical, Brock Equipment, Cherry Electrical Products, Chicago Conveyor, Clow Corp.—down to Wiremasters and Zenith Controls.

Later, a post-event survey among the EMC participants indicated that most are negotiating with from three to seven interested firms. They agreed that the format is right—with some suggested improvements—and believe that a repeat performance is in order.

Joe Gerson of Gerson International, Fort Wayne, responded for many EMC's as he thanked the conference organizers for "pinpointing manufacturers who are actively seeking help to reach markets that they would otherwise be financially unable to take advantage of."

The amen was by EMC spokesman Wally Pfeiffer: "I believe we demonstrated that we want to assist U.S. industries in any way we can to open the gateway for them to world markets."

Official Trade Briefs

This article is another in a series of reports that describe actions affecting world trade, as compiled by the Legislative and Tariff Policy Division of the International Economic Policy and Research Bureau's Office of International Trade Policy.

THE PRESIDENT

New Public Laws: The President, on Oct. 3, signed H.R. 5262, authorizing U.S. subscriptions and contributions to six **international financial institutions** (P.L. 95-118).

CONGRESS

Enrolled Enactments: The House agreed to the conference report on H.R. 6415, to extend and amend the **Export-Import Bank Act** of 1945, thus clearing the measure for the President.

Bills Passed-Senate: The Senate agreed to S.Res. 279, a resolution to reaffirm Senate support of strict enforcement of existing laws to prevent all forms of unfair competition that have an adverse impact on the American **steel** industry.

Bills Passed-House: The House voted to suspend the rules and pass the following bills: H.R. 5643, amended, to implement the United Nations Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of **Cultural Property**; H.R. 5858, amended, to provide duty free treatment of certain **Canadian petroleum** and H.R. 8149, amended, to provide for **customs procedural reform**.

House Action: The House on Oct. 19 defeated the Energy Transportation Security Act of 1977, H.R. 1037, referred to as the Oil Cargo Preferences Bill. The measure would have required a certain percentage of U.S. **oil** imports be carried on U.S.-flag vessels.

Committee Action-Senate: The Foreign Relations Committee favorably reported S. 1771, to extend until Sept. 30, 1981, the basic operating authority of the **Overseas Private Investment Corporation.**

Committee Action-House: The International Relations Committee ordered favorably reported H.R. 9179, to amend the Foreign Assistance Act of 1961 with respect to the activities of the **Overseas Private Investment Corporation.**

The Ways and Means Subcommittee on Trade met and approved for full committee action H.Res. 238 and H.Res. 320, expressing the sense of the House with respect to the immediate removal of certain regulations unilaterally put in place by the European Economic Community (EEC) which have the effect of damaging and interfering with historic and acceptable trade patterns for the U.S. export of **dried prunes** and with regard to efforts made by the EEC to restrict imports of U.S. **walnuts.**

Committee Hearings-Senate: The Foreign Relations' Subcommittee on Foreign Economic Policy held hearings on international indebtedness, financial surpluses of members of the Organization of Petroleum Exporting Countries (CPEC) and the U.S. contribution to the Witteveen lending facility of the International Monetary Fund. Testimony was heard from public and private witnesses.

The Committee on Energy and Natural Resources began consideration of S. 2053, to promote the orderly and environmentally sound exploration for and commercial recovery of **hard mineral resources** of the deep seabed. Testimony was heard from Ambassador at Large Elliot Richardson and other public and private witnesses.

The Committee on Banking, Housing and Urban Affairs held hearings on the substance of S. 2152, authorizing the U.S. to participate in the Supplementary Financing facility of the **International Monetary Fund.** Testimony was heard from public and private witnesses.

The Subcommittee on Merchant Marine and Tourism of the Committee on Commerce, Science and Transportation concluded hearings on S. 2008, providing a three-year period to reach a permanent solution of the **shipping rebating practices** in the U.S. foreign trade.

Committee Hearings-House: The Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs held an oversight hearing on the Council on Wage and Price Stability's report on the **steel** industry. Testimony was heard from public witnesses.

The Committee on Agriculture's Subcommittee on Domestic Marketing, Consumer Relations and Nutrition held a hearing on H.R. 744, to subject imported **tomatoes** to restrictions comparable to those applicable to domestic tomatoes. Testimony was heard from members of the Senate and House.

The Committee on Merchant Marine and Fisheries' Subcommittee on Merchant Marine held hearings on H.R. 9518, to provide for a three-year period to reach a permanent solution of the **shipping rebating practices** in the U.S. foreign trade. Testimony was heard from private and public witnesses.

Joint Committee Meeting: The Joint Economic Committee's International Economics Subcommittee held hearings on the U.S. **trade deficit.** Testimony was heard from Frank A. Weil, Assistant Secretary of Commerce for Domestic and International Business, and other public and private witnesses.

New Legislation: In the first session of the 95th Congress, 251 trade and related bills have been introduced. Those not previously reported in this column include: H.R. 9342 and H.R. 9626, to amend the Trade Act of 1974 to provide that the President may not reduce or terminate **import relief** if the Congress disapproves such action; H.R. 9347, H.R. 9397, and H.R. 9470, to amend the Tariff Schedules of the United States by repealing **item 807**; H.R. 9402, to amend the **Foreign Assistance Act of 1961** with respect to Cuba; H.R. 9422, to amend the provisions of Public Law 88-482 relating to the imposition of quotas on **certain meat and meat products**; H.R. 9425 and H.R. 9426, to amend the Tariff Schedules of the United States to establish a temporary tariff rate quota for **certain steel and iron** articles.

Also, H.R. 9427 and H.R. 9428, to amend Title II of the **Buy American Act** to require the heads of federal agencies to issue certain regulations respecting the purchase of materials made in the U.S., to permit the states to give preference to such materials, and to require that certain state purchases made with federal funds be subject to the Buy American Act; H.R. 9456, to amend section 232 of the Trade Expansion Act of 1962 to prohibit the President from increasing the rate of duty on imports of **petroleum and petroleum products** in the absence of a national military emergency; H.R. 9522, H.R. 9523, H.R. 9524, H.R. 9525, H.R. 9526 and H.R. 9527, to prohibit the importation of certain products from **Uganda**; H.R. 9556, to amend the **worker adjustment assistance** provisions of the Trade Act of 1974; H.R. 9628, to suspend until the close of June 30, 1980, the duty on **certain nitrocellulose.**

Also, H.R. 9650, to suspend until the close of Dec. 31, 1978, the duty on **certain benzene**; H.R. 9695 and S.2233, to increase the duty on imported **copper** by an amount which offsets the cost incurred by copper producers in the U.S. in meeting domestic environmental requirements; H.Res. 801 and H.Res. 835, urging the U.S. International Trade Commission to recommend to the President the continuation of the existing import restraints on **specialty steel**; H.Res. 842 and S.Res. 279, reaffirming support for the vigorous enforcement of laws designed to protect American industries from **unfair competition** by foreign industries; H.Res. 846, H.Res. 856, H.Res. 857, H.Res. 858 and H.Res. 859, relative to customs duties on **textile or apparel products.**

Also, S. 2152, to amend the **Bretton**

Woods Agreement Act to authorize the U.S. to participate in the Supplementary Financing Facility of the International Monetary Fund; S. 2168, to promote the orderly development of **hard mineral resources** in the deep seabed; and S.Res. 292, expressing the sense of the Senate that the President direct the Special Representative for Trade Negotiations to negotiate orderly marketing agreements with Japan and the European Community reducing the export of **steel and steel products** to the U.S.

TREASURY DEPARTMENT

Antidumping Cases—Steel: The Treasury Department has initiated two new investigations under the Antidumping Act of 1921 to determine whether imports of **carbon steel wire rod** from France and five categories of steel products from Japan are being sold in the United States at less-than-fair value. The Japanese case is one of the largest antidumping cases, in value terms, ever undertaken by the Treasury and involves the six largest Japanese steel producers. Two new antidumping petitions have also been filed. One petition alleges dumping of **steel wire strand** from Japan and India and the other involves **cold rolled and galvanized steel sheet** from Belgium, France, Italy, West Germany and the Netherlands and **cold rolled sheet** from the United Kingdom. The surge of petitions from the steel industry appears to stem from Administration recommendations that full use be made of the antidumping law's provisions.

In addition, the Department has issued a preliminary finding of sales at less-than-fair value, within the meaning of the Antidumping Act, of **carbon steel plate** from Japan. Customs appraisement has been withheld and a dumping margin of 32 percent based on a constructed value has been preliminarily determined.

Other Antidumping Actions: The Treasury Department has announced a preliminary affirmative finding of sales at less-than-fair value and has withheld customs appraisement in the action involving **polyvinyl chloride sheet and film** from the Republic of China.

Finally, the Department has recently terminated two antidumping investigations. One case involves **large power transformers** from Sweden and the other concerns imports of **photo albums** from Canada. Both terminations were based on the fact that price assurances made at the time the investigations were discontinued have been honored.

Countervailing Duty Cases: Two final determinations have been announced following investigations under U.S. countervailing duty law to determine whether bounties or grants are being paid on goods being exported to the United States. Treasury found that exports to the United States of **grain-oriented silicon steel** from Italy are not being subsidized while exports of **iron and steel chain** are.

In other countervailing duty action, new investigations have been initiated to determine whether bounties or grants are being paid on exports of **iron and steel chain and parts thereof** from Japan and on **bromine and brominated compounds** from Israel.

NFTC Counselling

Department of Commerce trade specialists from Washington and foreign posts will be available for individual counselling with business executives during the National Foreign Trade Convention in New York Nov. 14-15.

The counsellors, who will be in a special suite at the convention's Waldorf-Astoria headquarters, are:

John Q. Blodgett, formerly Commercial Counselor, Paris; John B. Malott, formerly Commercial Officer, Tokyo; Mark Johnson, formerly Econ/Commercial Officer, Jakarta, Indonesia; J. Robert Wilson, European regional specialist, Department of Commerce; Philip W. Michelini, Country Specialist, Africa, Department of Commerce; Roger McCauley, Deputy Director, Commerce Action Group for the Near East, and Deboorne Piggot, Trade Development Assistance Officer, Bureau of East-West Trade.

Also available for personal consultation during the convention will be trade specialists of the New York Commerce District Office.

COMMERCE DEPARTMENT

Trade Adjustment Assistance for Firms: The Commerce Department has recently certified 30 firms as eligible to apply for trade adjustment assistance. The firms produce **wearing apparel, handbags, metal office furniture, watch cases, footwear, umbrellas, plastic rainwear,** and **electrical components for radio and television.** No firms were denied certification.

LABOR DEPARTMENT

Adjustment Assistance Certification: The Labor Department, having found that approximately 11,200 workers have been or may become unemployed as a result of increased imports, has certified these workers as eligible to apply for adjustment assistance. They are or were employed at firms producing the following products: **steel products, coils, televisions, wearing apparel, footwear, tennis racquets, sugar,** and **subcompact car parts.**

Denials: The Department denied petitions for trade adjustment assistance for approximately 4,235 workers engaged in the manufacture or processing of the following products and performance of the following services: **subcompact car parts, tanned leather, footwear, wearing apparel, tapered roller bearings, steel products, rolling mill machinery, distribution and processing of steel and aluminum.**

Investigations: Of the investigations recently initiated by the Department to determine whether workers at various plants are eligible to apply for adjustment assistance, the products most frequently involved are: **apparel and fabric items, metal products** and **machinery.**

INTERNATIONAL TRADE COMMISSION

Import Relief: The U.S. International Trade Commission (ITC) has announced its advice to the President on the probable economic effects of termination or modification of the import relief presently in effect on **specialty steel.** The Commissioners decided by a 3-1 vote that termination of the relief would adversely affect the domestic industry. Regarding modification, two Commissioners determined that liberalization of the restrictions would adversely affect the industry, while one felt that it would not. One Commissioner determined that any liberalization of the restrictions in excess of 6.7 percent would seriously harm the domestic industry but a lesser one would not.

In other import relief action, the ITC has announced a unanimous finding that imports of **malleable cast-iron pipe and tube fittings** are not a substantial cause of serious injury to the relevant U.S. industry. The finding follows an investigation undertaken pursuant to a petition filed by the American Pipe Fitting Assn. under the "escape clause" provisions of section 201 of the Trade Act of 1974.

Antidumping Cases: The ITC has notified Treasury that the antidumping investigation on **methyl alcohol** from Brazil can be terminated. Following initiation of the investigation, the Treasury Department had referred the case to the ITC under section 201(c)(2) of the Antidumping Act of 1921 for the ITC to determine whether there was injury to a domestic industry. Under section 201(c)(2) when no reasonable indication of injury is found, the case may be terminated.

INTERNATIONAL

Foreign Safeguard Actions: The Government of Australia has announced that it has taken action under Article XIX of the General Agreement on Tariffs and Trade (GATT) to introduce temporary import duties and tariff rate quotas on **brandy** due to injury caused by increasing imports. The action consists of an increase in duty to 12.5 Australian dollars per liter and tariff rate quotas for a six-month period equivalent to 40 percent of imports entered during 1975-1976.

INAUGURAL U.S. SHOW, SAO PAULO—*Interest in process control equipment was strong as visitors, most of them decision makers, kept exhibitors occupied.*

BRAZILIAN INDUSTRY RIPE FOR ADVANCED PROCESS CONTROL INSTRUMENTS

American firms participating in the recent inaugural exhibition at the Sao Paulo U.S. Trade Center came away with important marketing information about process controls and instruments—that local competition is slight except in standard items and that Brazilian industries are poised for extensive use of sophisticated products in this field.

This market appraisal stemmed from a show in September that brought together 27 U.S. companies offering a broad range of process control instrumentation. Nineteen of them were new to the Brazilian market.

They learned that the time is ripe to penetrate the Brazilian market, since local production is still in an early stage of development. And such Brazilian industries as basic metals, especially steel, and chemicals and petrochemicals, automotive products and capital goods, can now use process control instrumentation extensively. These industries tend to be the most forward-looking and capital-intensive in the country's economy. They also have a high regard for U.S. technology.

Exhibitor Robert Van Scoyoc, Ircon, Inc., Skokie, Ill., supplier of laboratory infrared thermometers, said as the show closed, "The market potential for U.S. process control equipment is enormous. Brazilian customers are just starting to realize the economic benefits of automation."

Hydraulic pumps and cylinders, digital thermocouple indicators, infrared thermometers, sequential events recorders, demand controllers, circuit breakers, relays and pressure switches, micro-computer control equipment, toxic and combustible gas detection instruments are among the products considered to have the best potential.

U.S. process control instrumentation is price competitive with that of third-country suppliers in almost all areas; for those products having "Brazilian-made similars," however, high import duties, prior import deposits, and red tape make importing uneconomical for the Brazilian buyer. On the other hand, most equipment not produced in Brazil sells for three to four times the U.S. f.o.b. price, and as other foreign competitors are similarly affected, U.S. producers suffer no disadvantage.

As reported in the Oct. 10 issue of *Commerce America*, more than 1,600 trade visitors registered for the event. Off-the-floor sales and one-year projections for orders exceeded $6 million. F. Woldt, Allen-Bradley Co., Milwaukee, manufacturer of a programmable controller, noted:

"We are optimistic about Brazil despite the many import restrictions and high costs of doing business. The Brazilian companies are willing to pay for the technology if you can give the service and support."

Innovative Products Attract Syrians To U.S. Pavilion At Damascus International Fair

A modular house, a high-speed curb-laying machine, an oven designed for Arabic bread—practical products with aspects of advanced technology—proved to be apt attractions in the Syrian market for three U.S. firms venturing into that market at the recent Damascus International Fair. Each expects to develop multiple orders as a result of fair contacts.

The fourth consecutive U.S. participation in the historic Near East fair had 26 firms showing products ranging from heavy construction equipment to consumer goods such as refrigerators and autos. Syria's Prime Minister and the Syrian Minister of Economic Trade were among the visitors to the U.S. indoor and outdoor pavilion.

The U.S. exhibitors' sales during the event totaled $1,138,550; three export representatives were appointed, three under negotiation at show's end.

Best prospects for export sales are reported to be in computers and related equipment, and equipment for agriculture, irrigation, food processing and packaging, materials handling, aviation and avionics.

U.S. exports to Syria in 1976 reached $272.2 million, chiefly in agricultural products, vehicles, machinery, and aircraft. Under a U.S. AID program, $80 million has been appropriated for development projects in Syria. At present, a Damascus water supply system and a highway are being planned. Despite the country's foreign exchange and other problems, these projects should offer opportunities for U.S. suppliers.

AT DAMASCUS FAIR—*Prime Minister Abd al-Rahman Khulayfawi of Syria (left) visits United States pavilion at this 24th annual international fair.*

AT CHEMICAL FAIR, MOSCOW—*Soviet leader A. N. Kosygin (second from left) receives explanation from Minister of Chemical Industry L. A. Kostandov (left) about U.S. space shuttle display of DuPont at U.S. pavilion. Photo at right shows Kenneth Klun, Princeton Applied Research Corp., demonstrating polarographic analyzer to Soviet scientists.*

SOVIETS STRESS CHEMICAL INDUSTRY GROWTH, EYE PRODUCTS AND EQUIPMENT

Exhibitors at the U.S. pavilion during a recent international fair in Moscow say they expect the USSR's strong interest in its chemical industry to continue unabated; but most of these exhibitors—there were 30, representing 55 firms—agreed that expansion of U.S.-Soviet trade in this area will require increased efforts from U.S. producers.

CHEMISTRY 77, the fourth such fair organized by the USSR Chamber of Commerce and Industry and the Ministry of Chemical Industry, was said to be the largest and best attended trade fair in the Soviet Union so far this year. Among the Soviet visitors were Ministry and foreign-trade-organization officials, scientists, and end users from many regions of the country. As for the suppliers, an exceptionally large number of Western companies were competing for a seemingly shrinking hard-currency pie.

The experiences of some U.S. exhibitors, however, demonstrated that funds are available for U.S. equipment when the price is right; and the Soviets, unlike most of their East European neighbors, are still not requiring counterpurchases from Western exporters of chemical products. In other words, excellent local contacts and specialized product lines do produce sales.

The 10th Soviet Five-Year Plan (1976-80) stipulates a growth rate in the chemical/petrochemical industry of 60 to 65 percent—more than 50 percent higher than that of industry overall. Top emphasis is placed on agricultural chemicals to help boost farm output. In addition, increases in production of chemical products for consumer needs are called for.

The U.S. exhibitors were offering chemicals, chemical production equipment, measuring, control and laboratory equipment, and computers and high-technology for complete turnkey plant projects. Chemical products were the subject of the bulk of the selling activity. Firms producing instruments, laboratory equipment, and computer hardware are projecting multimillion dollar orders over the medium to long term.

Participants in the U.S. pavilion reported that they concluded and signed contracts during the exhibition totaling $7.5 million. Among companies reporting sales were: New Brunswick Scientific Co., California International Sales Corp., Waters Associates, Amcel Co. (a subsidiary of Celanese Corp.), and Wang Laboratories.

Taiwan's Efforts Toward Controlling Pollution Sharpen Equipment Need

The Republic of China's rapid industrial growth, and proliferation of motor vehicles, have aggravated the country's water and air pollution and waste disposal problems, and the government has addressed itself to their control.

Exhibitors at the Taipei U.S. Trade Center's recent pollution equipment exhibition and seminar were offering precisely the kinds of products various industries are likely to be needing as they respond to current enforcement of legislation enacted in 1974-76. All of the participants expressed optimism on market prospects.

Locally produced, technically simple pollution control devices offer negligible competition. Major country competitors are Japan, West Germany, Switzerland, and Sweden. U.S. and third-country prices are difficult to compare because of differences in product design and quality.

U.S. pollution control equipment has a good reputation as a technological leader in this market. Many of the items displayed—for example, an exhaust gas purifier, automatic backwash filter, certain pumps, and sewer and drain-line cleaning tools—have a world reputation and world patents.

Major pollution-control end users in Taiwan are either industrial or agricultural, and both sectors are expanding under the current (1976-81) economic plan: an investment of $185.5 million is earmarked for major industrial projects, and $20.3 million for agricultural projects.

More than 850 scholars and technical experts from a broad range of industries island-wide attended the seminar during the exhibition. Through an arrangement with Taiwan's National Health Administration, three Chinese experts who are presently working on a two-year pilot project in pollution control in Kaohsiung co-chaired the sessions with American business leaders.

Immediate sales of $221,000 and 12-month projections by the 26 exhibitors of more than $45 million were reported. Three agent/distributor agreements were signed; seven are expected to be concluded within the next year—in addition to two licensing agreements. Another pollution control equipment exhibition at the Taipei U.S. Trade Center has already been scheduled for May 1979.

EXHIBITING IN TAIWAN—*J. H. Louthan, Phillips Products Co., Dallas, answers inquiries of interested visitors at pollution control equipment show in Taipei.*

TERMS OF TRADE TURN AGAINST NEW ZEALAND, FORCING AUSTERITY DRIVE

"The New Zealand economy is currently in the most difficult period of adjustment since the war." These sentiments, expressed by the country's Deputy Prime Minister in an address in September, are shared by other informed observers, including officials of the Organization for Economic Cooperation and Development. Inflation is a major problem; unemployment is growing; overseas borrowing is increasing rapidly; huge trade deficits persist; the terms of trade have been unfavorable; productivity is nearly stagnant; the population is declining through rising emigration by the young and the skilled; and labor unrest abounds.

According to John E. Hall, Commercial Attache at the U.S. Embassy in Wellington, the basic fact of life which permeates the entire situation is New Zealand's heavy dependence on, and relatively limited influence over, the external sector. With a population of only 3 million, the country does not have a broad base of highly diversified, technologically advanced, internationally competitive industries, nor is it well endowed with many of the raw materials it needs to maintain basic economic activity.

Price-taker in imports, exports

Statistics tell some of the story. In 1975, according to the OECD, New Zealand's imports represented 23 percent of the value of its Gross Domestic Product (as compared, for example, with 6 percent for the United States). Many categories of raw materials (not least among them petroleum), components and capital equipment must come from abroad, and must do so in good times as in bad. Only 12 percent of the country's total imports are finished consumer goods, and these are often, in essence, the price which must be paid for retaining export markets for New Zealand products. The other 88 percent can only be marginally reduced without causing major disruption to the local economy. But as a small and geographically remote buyer, New Zealand is not generally able to significantly influence the price it pays for its imports; it is a price-taker, and in recent years has imported inflation along with minerals and machinery.

Some 17 percent of the country's GDP went into exports in 1975 (United States—7 percent) according to the OECD. The country's strong suit has been always grasslands farming. It is among the world's most efficient producers of wool, sheepmeats, dairy products and beef. But of all these categories of primary products, only beef has risen in production volume since 1970; all of the others have experienced output declines. Agricultural production, accounting for three-fourths of the country's export earnings, has been stagnating. And agricultural export prices, set as they are in the international marketplace, are immune by and large from influence by the New Zealand seller. In export, too, the country is a price-taker.

The relationship of export prices to import prices—the terms of trade—has fluctuated sharply in recent years. Based on an index of 100 in the year 1957, New Zealand's terms of trade had risen by mid-1973 to 124, and fallen by March 1975 to 70. The volume of imports which a given volume of exports could buy almost halved in less than two years. By March of this year, the index had risen only to 80, and it had become apparent that a fundamental long-term shift had taken place.

In the year ended June 1973, New Zealand enjoyed a trade surplus of $325 million. One year later, the surplus had turned to a deficit of $334 million. By June 1975, the deficit was a massive $1,067 million, and only a strong rise in export prices in late 1975 and 1976 (export volume actually fell over this period) reduced the deficit for the year ending in June 1976 to $704 million. This past June, the deficit for the preceding 12 months had fallen to $531 million (4.7 percent of GNP), still alarmingly—and unsustainably—high. These deficits have had to be covered by overseas borrowings, and as of June 1977, net overseas debt servicing amounted to 8 percent of export receipts; five years earlier, the comparable figure had been 2.7 percent. The debt itself amounts to 13.6 percent of GNP.

Behind the difficulties

Among the influences causing this fundamental shift in the country's economic fortunes have been increasing difficulties in gaining access for pastoral exports to foreign markets; an oil import bill which will have risen from $66 million in 1972 to $520 million this year; recessions in many of New Zealand's principal customer countries; and a serious decline in the rate of productivity improvement during recent years. Government and the public are now realizing the magnitude of the problem they face, and that there will be plenty of bitter medicine to swallow before the situation improves.

Harsh measures have been taken to dampen domestic consumption in order to switch resources into export, to reduce insofar as possible the demand for imports, and to increase the domestic content of exports and of production. The standard of living is falling and will fall further. Real income per capita is well below its 1973 peak, and only slightly above the level of 1971 (before the boom began).

The OECD has estimated that the balance of payments can only be reduced to "tolerable dimensions" by the end of this decade through tight restraint on domestic consumption and massive increase in export volumes. From 1970 to 1975, per capita consumption expenditure rose an average of 4.5 percent per year; the OECD prescribes an average of 1 percent. From 1970 to 1975, export volume rose an average 0.7 percent per year; the OECD calls for 10 percent. To what extent these economic prescriptions are politically feasible or physically attainable remains to be seen.

Government has held the view that New Zealand must export its way out of its dilemma. Export expansion is a central element in overall economic planning for the next several years. Incentives available to the New Zealand exporter, already among the most generous in the world, are being reviewed and strengthened. Foreign governments are being pressed hard both bilaterally and multilaterally to reduce their barriers to primary product imports. More Trade Commissioners are being assigned overseas, and diplomatic-trade posts are being established to identify and develop new markets. Manufacturers, farmers, and processors are all being pushed to improve productivity and increase export sales. Foreign travel by New Zealanders is being taxed, tourism by foreigners more actively promoted. Importers are being pressed, and in a sense forced, to shop around for the best price before they buy abroad.

In general, exporting to New Zealand can be expected to become increasingly difficult over coming years. But a more careful review suggests that there are still excellent possibilities there and that the United States should be able to compete effectively for markets. Things will have to get much worse before labor-saving capital equipment and technology are no longer welcome, particularly when the labor they save or the productivity they improve offer direct benefits in the export sector.

Consider this market

Producers of high-technology equipment for such export-oriented sectors as agricultural production and food processing and packaging and for such infrastructure sectors as computing and telecommunications would be well advised to consider the New Zealand market. Health care equipment manufacturers should take a look at New Zealand, too, as should manufacturers of scientific and industrial control instrumentation. And with the strong drive to develop a deep-sea fishing capability as rapidly as possible, producers of equipment for the fishing industry and for the handling and processing of fish—especially

pelagic species—will have good opportunities in the coming years.

To assist the country in its effort to locate and utilize the very latest in high technology equipment in several of these key fields, the U.S. Department of Commerce plans a major New Zealand trade exhibition for 1978. AmTech (American Technology) '78 will present up-to-the-minute developments in computers and allied equipment, food processing and packaging equipment, and health care equipment.

But Hall warns prospective exporters: the market is generally highly competitive and buyers are well-informed, and the supplier offering the optimum combination of quality, price, prompt delivery and sound service capability in-country will get the order.

While striving to increase exports, the government is working just as hard to foster local industries and to promote import-substitution. Through import licensing, the government maintains direct control over the value (and thereby volume) of imports of a wide variety of products which are either being made or could be made in New Zealand. As a result, exporters of most consumer goods are advised to look elsewhere for markets for their products. But even when such barriers apply to imports of commodities, they may not apply to imports of the equipment and techniques to make them locally. If you can offer the technology to build a really better mousetrap, licensing for local manufacture might be your route into the New Zealand market.

American firms not already active in New Zealand but interested in exploring the market there should contact the nearest U.S. Department of Commerce District Office (see listing on inside back cover). An international trade specialist there can make available a wide range of export assistance programs for New Zealand and for any other overseas market of interest.

LUXEMBOURG'S APPETITE FOR QUALITY PRODUCTS REMAINS UNDIMINISHED

Despite its small size, Luxembourg's open trading policies, high standard of living and cosmopolitan buying habits make it an attractive market for selected U.S. goods which should not be overlooked in a company's European marketing program, according to the U.S. Embassy there.

The country's economy appears to be growing at a 2-3 percent rate in 1977, below its normal performance but still a recovery from 1975's negative growth. Inflation has been on a downward trend since a peak of 10.7 percent in 1975, and has eased to an estimated 7.6 percent annual rate this year.

Since 1975, the nation's key steel industry has suffered severely from the general, and particularly European, steel industry slump. Luxembourg's other industries, primarily U.S. multinational operations, have overall regained pre-recession production levels, if not earlier profitability. An exception is synthetic fibers production, which continues to suffer from depressed demand and low prices.

The necessary restructuring of the European steel industry will require reductions in the steel labor force. Luxembourg has traditionally had to import labor but now new jobs will have to be found to avoid unemployment. The Luxembourg Government's economic recovery and full employment program contains additional incentives to attract job-generating new industries and to encourage capital investment.

Banking and related financial activities are the most dynamic area of the economy. Luxembourg has developed into an increasingly important international financial center with 84 foreign banks and total assets of $47 billion, of which 85 percent is in foreign currencies.

Luxembourg's balance of trade shifted into deficit in 1975 and will likely remain there until some recovery in steel prices and shipments. The overall balance of payments should remain in equilibrium or modest surplus thanks to the enormously successful international financial operation there.

The government budget managed small surpluses in 1975 and 1976 despite the cost of anti-unemployment measures. The slow rate of economic recovery and financial commitments in the government's new economic action plan may actually produce a deficit in 1977. Nonetheless, accumulated budget reserves and very low debt place Luxembourg in a favored financial position.

Regional headquarters

Luxembourg's small size and central location within Western Europe account for long-standing support of European economic union and liberal trade policies. The presence of several Common Market institutions there is evidence of Luxembourg's European commitment. Luxembourg is a partner in the Belgian-Luxembourg Economic Union, which provides for a common currency and monetary policy.

Despite its recent economic problems, Luxembourg remains a prosperous country with a steady appetite for quality products. Virtually all consumer goods are imported, offering attractive opportunities in the consumer field. The accelerated investment program of the steel industry and a proposed nuclear power plant present possibilities for U.S. equipment and technology. A casino/conference center has been authorized by the government and proposals by interested investors are invited.

Neighboring Germany, Belgium and France account for almost 67 percent of Luxembourg's exports and 86 percent of its imports. The Common Market as a whole accounts for 78 percent of its exports and 93 percent of its imports. In 1976, imports from the United States were 2 percent (approx. $39.9 million) and exports to the United States 3.4 percent (approx. $54.4 million) of the Luxembourg totals.

Main imports from the United States are textiles, machinery, electrical equipment and plastic materials. U.S.-owned manufacturing plants in Luxembourg generate a continuous demand for American supplies. The purchase by the national airline LUXAIR of two Boeing 737s for delivery late this year will inflate 1977 statistics.

Principal Luxembourg exports to the United States are steel and metal products. These sales have fallen off sharply in recent years but recovered slightly in 1976 and again in 1977.

Steel has traditionally generated well over 60 percent of Luxembourg's total exports (only 54 percent in 1976). Other principal exports include rubber tires, plastic products, artificial fibers, floor covering, machinery and electrical equipment. Luxembourg imports virtually all raw materials and semi-manufactures for its steel industry and other manufacturers, and the full spectrum of finished goods for home, office, government and commercial services.

American companies already play a significant role in Luxembourg as manufacturers and employers. Such firms as Goodyear, Dupont, Monsanto and General Motors (Terex) have production facilities there. In addition, 12 U.S. banks have operations.

U.S. direct investment in Luxembourg has an original value of approximately $375 million (and current market value of about $570 million). At a per capita level of over $1,000, the U.S. Embassy believes this to be the highest U.S. direct investment outside North America. Additional investment of $95 million is projected for 1977-82 by U.S. companies established there.

Prior to the recent recession and the recognition of structural problems in the steel industry, there was limited scope in Luxembourg for further major new industries. Now the need is real and the opportunity again available for firms seeking to locate in the Common Market. The Luxembourg Government, business community and labor unions are familiar with American ways and have always welcomed American industry. The government offers tax and infrastructure (construction, equipment, etc.) incentives.

HONG KONG SETTLES DOWN TO MODEST GROWTH PACE

Hong Kong's Gross Domestic Product has been growing at an estimated rate of about 7 percent this year in real terms, a respectable showing but far below last year's record 16 percent growth pace. Officials at the American Consulate General in Hong Kong and other informed observers expect the Hong Kong economy to grow 5-7 percent annually through 1980, contingent, of course, on the economic performances of Hong Kong's major export markets. Although uncertainties confront the textile industry, prospects for other exports and the visible vigor of major construction projects suggest sustained growth over the next several years.

American products appear to be holding roughly 12 pecent of Hong Kong's import market in 1977. Last year, the U.S. market share exceeded 12 percent as sales to Hong Kong increased 35 percent over 1975. American goods sold in Hong Kong reflect both the territory's own export manufacturing demands and the population's steadily rising living standards.

The United States will continue to be a principal supplier of raw materials and semi-manufactures for Hong Kong's largest export industries. American exporters last year sold $188.8 million of electrical and electronic components for Hong Kong's electronic industry, 59.7 percent above 1975. Sales of American plastics more than doubled in 1976, to a total value of $51 million. Demands in the Hong Kong manufacturing and construction industries, as well as in the retail marketplace, produced a 33.5 percent increase in machinery and appliance sales last year, to $44.4 million.

The booming Hong Kong construction industry, particularly in public and private sector housing, should continue to offer markets for U.S. equipment, material and expertise, as well as home appliances and furnishings. Commercial construction continues vigorous, with large parts of the Hong Kong and Kowloon central business districts under redevelopment.

Construction of Hong Kong's ambitious Mass Transit Railway is an equally visible and noisy feature of the landscape. The initial 16-kilometer segment of the system should open, on schedule, in early 1980, and the government has approved extending construction of another 9 kilometers to Tsun Wan New Town. An American firm is supplying the railway's $15-million fare-collection system, and a local distributor has won a major contract for American air-conditioning equipment. Japanese and European companies are doing much of the engineering and will supply the rolling stock.

Transportation infrastructure will be the next major phase of government development in Hong Kong, and will follow a comprehensive transport plan prepared by an American consultant. The presence of American engineering and design skills at the inception of the transport plan augurs well for U.S. sales as the projects develop.

Other major capital projects likely to be built in Hong Kong include power generating and distribution facilities and desalinization and water-treatment plants. Hong Kong's electricity requirements grow by about 12 percent annually, and the distribution of power will become more challenging as the New Territories become urbanized. With drought a chronic problem and all the natural reservoir areas now exploited, desalting sea water remains Hong Kong's only option for meeting future demands.

American agricultural products—foodstuffs, tobacco and textile fibers—have found an expanding market in Hong Kong. Continued increases in imports of American foodstuffs will likely parallel improvements in Hong Kong living standards.

Trends in imports of textile fibers are more difficult to predict. Nevertheless, Hong Kong spinners appreciate the quality and reliability of American cotton, and this should continue to give U.S. cotton an edge over fiber from other sources.

Several other major American products that are linked inextricably with Hong Kong exports to the United States—transistors, computer components, semi-conductors, electronic components and plastics—should likewise continue to sell well in Hong Kong. Sales of U.S. business machines and peripherals should also rise smartly, as evidenced by $15 million of off-the-floor and projected sales scored by "Business USA," an American business equipment trade show held in Hong Kong last April.

Seeks U.S. investment

Hong Kong actively seeks American investment in various economic sectors. With assets exceeding $200 million, U.S. capital accounts for 52.4 percent of foreign manufacturing investment in Hong Kong. Hong Kong's labor market continues tight, and wages have risen in the past year, but workers' skill and productivity often compensate for additional cost. Hong Kong's superb banking, transportation and communication facilities offer further investment incentives.

The recent political changes in China have, if anything, inspired confidence that Hong Kong's unique connection with China will continue indefinitely. Hong Kong's governor has commented publicly that the territory's relations with China have never been better. Meanwhile, rapidly increasing and highly visible Chinese investment in Hong Kong underscores the mutual advantages that Peking sees in the status quo.

Bolivian Investment Projects Offer Excellent Sales Leads

Bolivia's Gross Domestic Product, after growing by 6.7 percent in real terms in 1976, is continuing to show a high growth rate this year, according to the U.S. Embassy in La Paz. Keeping the economy active are favorable prices for Bolivia's major minerals exports, an influx of foreign development financing, and strong public and private sector investment. Inflation was held to 12 percent in 1976 and tight wage and price management and conservative monetary and fiscal policies should allow the government to hold inflation to its 15 percent goal in 1977.

The balance of payments improved considerably starting in mid-1976 due to rising minerals prices, especially for tin, and rising disbursements on foreign financing. An overall surplus of $65 million occurred in 1976 and a similar surplus is expected in 1977. Exports reached $566 in 1976 (f.o.b.) and should exceed $650 in 1977. The government signed $404 million in new foreign loans in 1976, with a comparable amount expected this year. Net foreign exchange reserves exceeded $220 million in mid-1977, the highest level ever recorded in Bolivia.

The 20 pesos to the dollar exchange rate which has been in effect since 1972 appears stronger than ever, and the Bolivian Government seems determined to maintain the

AT WORK IN BOLIVIA—*Sparks fly as welder joins sections of liquid gas tanks, then sands seams in Cochabamba (Inter-American Development Bank photo).*

peso at its present value for the foreseeable future.

In May the World Bank's Consultative Group in Paris expressed its approval of Five-Year Plan projects for which Bolivia is seeking external financing. Private lending institutions attended the Paris meetings, and their reaction to Bolivia's proposed list of development projects was also favorable. Planned investments represent excellent sales opportunities for U.S. exporters of capital equipment and intermediate goods and for engineering and construction consultants and firms able to offer comprehensive project packages combining U.S. technology, equipment and financing.

A cloud on the economic horizon is a decline in petroleum production and exports in 1976-77 due to well depletion and falling reserves. New fields discovered by Occidental and YPFB (the state petroleum monopoly) should raise 1978 production almost to the pre-1977 level, but additional discoveries will be needed if production is to keep pace with rising domestic consumption and still make a contribution to exports.

Another cause for concern is the hardening terms of Bolivia's foreign debt and a rising debt service requirement. While debt service was only about 20 percent of export value in 1976, exports will have to continue rising rapidly to maintain foreign debt service within reasonable bounds. Both problems appear manageable, however, if prudent government economic policies are followed, and overall prospects for Bolivia's economy in 1977 and 1978 remain bright.

Future sales opportunities

During coming years, principal export opportunities will be in the areas of mining and minerals processing, petroleum extraction and refining, petrochemical pipelines, road and airport construction, aircraft maintenance, railroad rehabilitation and maintenance and the acquisition of rolling stock, agricultural machinery and food processing equipment.

Bolivia also plans to develop an automotive industry based on production of light trucks, and utilizing Andean Pact trade benefits. Proposals from the major U.S. manufacturers as well as German, Japanese and Italian companies are under study and equipment purchases may begin in 1978.

In the social sector, investments are being made in hospital construction and medical equipment, housing, building construction, schools and educational materials. Joint venture partners are being sought by the private sector to invest in low to medium-cost housing developments.

The Bolivian Government maintains a favorable attitude toward foreign direct investment, and within the bounds of Andean Pact regulations actively seeks to attract more private capital from abroad.

The public sector purchases approximately 70 percent of all imported goods and services. While U.S. products are often thought to be technologically superior, price and financial terms are generally decisive. All foreign companies require a Bolivian representative to bid on public tenders. Competition for the Bolivian market comes not only from Japan and Western industrial nations, but from Brazil and Argentina, whose credit and delivery terms are extremely attractive. However, U.S. firms with an aggressive local representative, which can offer reasonable delivery times and competitive prices, have an excellent chance of success in Bolivia's market.

Benin's Economy Is Sluggish; More Trade With U.S. Likely

Benin's economy has been performing sluggishly for some time, according to the U.S. Embassy in Cotonou. GNP has declined slightly over the past year, as the West Africa nation (adjacent to Nigeria) suffers worsening terms of trade in international commerce.

On Nov. 30, 1975, the Republic of Dahomey became the People's Republic of Benin and the People's Revolutionary Party of Benin was created. The change of name and the creation of a socialist one-party government symbolize the cumulative changes that have taken place in the country since the present military government gained power in 1972. President Mathieu Kerekou's regime has been in power for almost five years, which makes it the most durable government since Benin's independence.

As the political situation has approached stabilization, this Marxist-Leninist state has begun to establish various economic goals. Internally, the government has exerted its influence in every field of economic activity. Investment projects held in abeyance in the earlier days of the regime have moved forward, and the wave of nationalizations that followed the government's "Socialist Option" in late 1974 has receded.

At the same time, Benin remains listed as one of the 25 least-developed nations by the United Nations. There is no major capital investment, Beninese exports continue to decline, and the government has yet to announce its first economic development plan, although one has been formulated.

International donors have been responsible for the realization of some major infrastructure and agricultural projects. A national agricultural campaign launched in the beginning of 1976 and designed primarily to increase food production has been stymied by bad weather and organizational problems.

The economic future of Benin under present conditions is not bright. Practically without resources except in the agricultural domain, Benin's only possibilities to reverse the trend of economic stagnation rest with increased cooperation with its neighbors, particularly Nigeria. Increased political stability has also led to experimentation in economic policy, which has not always been successful. Until the government can solve its many organizational problems and coordinate its development planning, efforts to generate economic growth will continue to be hampered.

Until the advent of the Kerekou government, France was the paramount economic influence in Benin. French influence remains strong, but for many reasons, mostly political, Benin is no longer a French preserve. The political stance of the military revolutionary government has strengthened economic ties with the countries of Eastern Europe, the People's Republic of China, and countries like Libya and Algeria. However, the bulk of Benin's commerce remains with the West. Problems usually encountered by the American business firm includes language, distance from American supply sources, the relatively small size of the Beninese market, and unfamiliarity with political and commercial systems formed by French colonialism but altered to fit a Marxist-Leninist model.

Favoring larger U.S. role

American exports remain small in comparison with France and other EEC countries, accounting for only 10-12 percent of Beninese imports (precise statistical data is not available). Two important factors militate toward a greater U.S. commercial interest in Benin. The first is Benin's increasing importance as a supply base for Nigeria. As congestion in Lagos increases, the improving road and port infrastructure in Benin will offer greater facility for access to the expanding Nigerian market. This is a fact kept well in mind by both the Beninese and the Nigerians. Secondly, Benin's adoption of the tariff principles of the Lome Convention means the gradual abolition of reverse preferences for Common Market goods. American goods will therefore become more price-competitive, especially office equipment and hand tools. Such factors as quality and diversity will also have more importance.

Benin continues to maintain a liberal investment code, but private foreign investment is scarce. Potential investors should coordinate closely with government authorities and should be open to joint ventures. The best area for investment is agro-industry. Investors should keep in mind the shortage of advanced technology and skilled manpower.

Nepal Shows Little Progress, But Offers Some Opportunities In Certain Specialized Fields

Shackled by an overwhelming dependence on traditional agriculture, relative lack of natural resources, and extraordinary geographic disadvantages, Nepal's economy has been showing little progress. In this small country sandwiched between India and China, a decrease in agricultural production during the past year resulted in stagnation in the overall economy despite some modest improvements in other sectors. With population growing at an annual rate of 2.5 percent, this implies a decrease in real per capita income, notes the U.S. Embassy in Kathmandu.

The Government of Nepal, with substantial foreign assistance, continues to expand its development activities. These efforts have not yet had much impact in increasing productivity, but a good deal has been accomplished in the development of infrastructure, and some laborious progress is being made in social sectors such as education and health.

After two years of relative price stability there are signs that inflation may again become a serious problem. Tourism is the one really bright spot in the economic scene, with tourist spending jumping by 50 percent to well over $20 million in the past year.

In contrast to the sluggish performance of the internal economy, Nepal's external financial condition is in very good shape. Gold and foreign exchange reserves (including Indian rupees) are at a record high of near $200 million.

The role of foreign aid in Nepal's development is growing both in value and the number of donors. In addition to rapidly expanding programs by both multilateral and bilateral donors—especially the World Bank—there are several newcomers on the scene, notably Kuwait and Saudi Arabia. Total grants and concessional loans to Nepal may exceed $70 million in the coming year.

With its small population, undeveloped economy and geographic remoteness, Nepal manifestly is not destined to become a major market for U.S. goods and services. Nevertheless, significant opportunities are growing in certain specialized fields. Of particular relevance are major development projects financed by the World Bank/IDA and Asian Development Bank. These projects are growing in number and in value, and offer substantial opportunities for consultancy, contracting and equipment sales.

Among such projects are the $45 million Hetauda Cement Plant (ADB), a $10 million Kathmandu airport upgrading (ADB), a $14 million telecommunications expansion (IDA), the $70 million Kankai hydroelectric/irrigation project, and a $17 million IDA loan for road construction and maintenance.

IRRIGATION PROJECT IN NEPAL—*Efforts to bring year-round water to previously unirrigated farmland often offer opportunity for the sale of material and equipment. This Asian Development Bank photograph shows work under way on a canal at Kankai, which combined with a hydroelectric project will cost some $70 million.*

In some cases, such as roadbuilding or irrigation projects, the scope may not be sufficiently complex to enable U.S. contractors to compete successfully against local and regional firms, but the project nevertheless creates opportunities for equipment sales. To take advantage of such sales opportunities the services of a good local agent would be most useful. Unfortunately, the number of experienced and competent agency candidates is not large, so interested U.S. firms are urged to make full use of the commercial information services of the U.S. Department of Commerce for news of opportunities.

Aside from a few hundred thousand dollars of private capital in some tourist facilities, there is no U.S. investment in Nepal. This is largely due to problems of geographic location and to the relative lack of obvious exploitable opportunities. Mineral surveys have identified a few commercial deposits, including magnesite, lead/zinc, and copper, but further potential is still not well defined.

Another investment possibility is for properly managed exploitation of the southern forests of the country for wood and paper products. The enormous hydroelectric potential of Nepal (estimated at 80,000 m.w.) suggests interesting possibilities for highly energy-intensive industries, but development of this potential is proceeding very slowly. Tourism still offers some opportunities, particularly for development of new areas and facilities outside the Kathmandu Valley.

Recognizing the country's need for foreign capital and management expertise, the Government of Nepal maintains a quite liberal foreign investment policy. Up to 100 percent foreign ownership is permitted under certain conditions, and a variety of tax concessions and other incentives are offered.

New Sri Lanka Government's Aim To Expand Private Role May Spur Economic Activity

Since independence in 1948, successive Sri Lankan (Ceylon) governments have pursued social welfare policies which encouraged consumption at the expense of savings and investment. The coalition United Front (UF) Government elected in 1970 increased welfare spending and expanded the role of the public sector in the economy. While progress in social development has been considerable, the last seven years have seen a marked slowdown in economic growth coupled with accelerating inflation and unemployment. Public dissatisfaction with the state of the economy led to an overwhelming victory for the opposition United National Party (UNP) in the general elections held in July 1977. It is expected by the U.S. Embassy in Colombo that the new UNP Government will be more favorably disposed toward the private sector than was the previous UF Government.

After two years of serious drought, normal rains began in the latter part of 1976, and agricultural output appears to be increasing significantly in 1977. After real growth of only 3 percent in 1976, the economy should record at least a 4 percent rise in 1977. High world prices for tea, rubber and coconuts should greatly improve export earnings this year and next, but a large volume of imports is expected to produce overall balance of payments deficits in both years. Greatly increased use of Central Bank financing of budget deficits during the last 18 months of the UF Government contributed to a very large increase in the money supply; the UNP Government has begun to tighten its monetary policy and has begun a gradual devaluation of the rupee to undo the 20 percent revaluation instituted in March 1977.

Until the new government's economic

POWER FOR SRI LANKA—*The Bowatenna Power Project, above, will provide increased hydro-power capacity in Sri Lanka. (Asian Development Bank photo).*

policies are more clearly defined, the Embassy's forecasting crystal ball is even cloudier than usual. In general, however, the government's stated intention to allow the private sector to play a larger role in the economy should result in a higher level of economic activity. If rainfall continues to be normal, real economic growth could top 5 percent in 1978. One of the government's main problems will be how to boost the production of all plantation crops to take full advantage of prevailing high world prices.

U.S.-Sri Lanka trade is not large. In 1976, imports from the United States amounted to $45 million (7.0 percent of total imports), over half of which consisted of PL 480 wheat flour. This was somewhat below the value of imports from the United States in 1975 due to a decline in American flour prices. Exports to the United States totaled $40 million, mostly tea plus some rubber and graphite.

The smallness and remoteness of Sri Lanka's market, coupled with its relatively low level of economic activity and the chronic shortage of foreign exchange, have limited the country's potential for American exporters. Moreover, the previous government's policy of monopolizing imports and of giving preference to low prices and generous credit terms with little regard to quality discouraged imports from the United States. The new government's intention to liberalize imports and to allow private importers to compete with government agencies may open new opportunities for American products. Nevertheless, the bulk of imports is likely to continue to be made under government tenders.

Food grains (in addition to PL 480), light machinery for industry, agricultural machinery, office equipment, chemicals and pharmaceuticals are product lines offering good potential for U.S. exporters.

Information on government tenders is available from the U.S. Department of Commerce and from the Sri Lanka Embassy in Washington. Favorable credit terms will doubtlessly continue to be an important element in winning supply contracts.

U.S. direct investment in Sri Lanka is presently estimated at approximately $1 million. Because of the nationalization of tea estates and other foreign-owned companies, total foreign direct investment has declined over the past 20 years. With the notable exception of Japanese joint ventures in the local production of ceramics and textiles for export, and foreign participation in tourist hotels, there has been virtually no new foreign investment in Sri Lanka in recent years.

The new government, however, has stated it plans to create free trade zones near the Colombo airport and at Trincomalee on the east coast to encourage foreign investment in export processing industries. While such details as tax concessions and applicability of labor laws within the zones have yet to be worked out, the government's proposal indicates a much more open attitude toward foreign investors. Sri Lanka's large supply of low-cost, relatively well-educated labor makes the country a natural successor to such export centers as Singapore and Hong Kong where labor costs are rising rapidly. Interested American firms, however, should proceed with caution and only after a careful investigation of local conditions.

Togo Is At Turning Point In Development Program; Regional Role Is Growing

The Togolese economy is steadily expanding, according to the U.S. Embassy in Lome. Although it still relies heavily on three traditional exports—phosphates, cocoa and coffee, the West Africa nation is broadening its agricultural and industrial export base, notably by adding an oil refinery in 1977 and (if construction proceeds on schedule) a cement clinker plant in 1980. A long-term perspective shows that a downturn in 1975 was less a setback than a return to more normal levels of export revenue after the heady days of the 1974 phosphate bonanza. Looking at the period 1966-76 reveals a very respectable average yearly growth of 13.5 percent.

In the agricultural sector, 1976 export receipts were well above 1975 levels. Export volume (especially drought-stricken cotton) will probably decline in 1977, but fortunately coffee and cocoa prices remain high, so earnings will only decline slightly. Although early estimates of 1976 phosphate earnings predicted continuing decline, unofficial current estimates suggest that phosphate earnings stabilized in 1976 and began rising in 1977. Production continues to expand, with world prices well above 1975-76 lows.

The 1974 phosphate boom had two important consequences: it raised government ambitions, and it encouraged private creditors (i.e., banks) to finance the government's ambitious projects. The net result was that both debt and the number of projects skyrocketed. Togo is gambling that the loan-financed projects will generate foreign exchange before debt service becomes an intolerable burden. According to the 1976-80 Development Plan, 1977 is the turning point: after 1977 the ratio of debt service to export revenue should decline. So far, Togo has managed to reschedule its debt payments. The outcome depends largely on its ability to continue to roll over its debt and on the profitability of the development projects.

Togo's foreign exchange reserves shot up to $78 million in 1974, dropped to $11 million in 1975, and are now gradually recovering from their 1975 low. Although the estimated current account balances for 1976-80 are negative, the Togolese CFA franc remains both sound and convertible since it is pegged to the French franc and the economy is bolstered by considerable foreign aid.

U.S. relations with Togo are friendly, but trade between the two countries remains at low levels. European enterprises, especially French, have developed a dense network of commercial cooperation and continue to dominate Togolese (and most West African) trade. However, in view of the establishment of the Economic Community of West African States (ECOWAS), and Togo's continuing open-door, non-discriminatory trade policy and increasing awareness of superior American products and services, the time is ripe for U.S. exporters to take the Togolese market more seriously. In addition to traditional best sellers such as machinery, textile products and tobacco, U.S. suppliers should look toward sales of food and household wares, cosmetics, building supplies and office machines.

Togo's internal political stability and membership in both the 16-member ECOWAS and the 5-nation Francophone Entente, combined with the nation's fine hotels, adequate communications and transport infrastructures and strategic location are transforming Lome into a West African regional center. The West African Development Bank (BOAD) headquarters is in Lome, as well as the ECOWAS Fund for Cooperation, Compensation and Development. Both Niger and Upper Volta have warehouses at the highly efficient Port of Lome and are committed to improving the highways from the Togolese frontier to Ouagadougou and Niamey. The liberal Togolese investment and tax codes, the right of profit repatriation plus the expanded market possibilities ECOWAS will provide should attract American firms looking for a sound location to set up small to medium-sized businesses or establish a headquarters for business operations throughout West Africa.

Calendar For World Traders

Nov. 8—Mobile, Ala.—District Office seminar on changes in Schedule B, International Trade Center.

Nov. 8—Charleston, S.C.—District Office seminar on changes in Schedule B, State Ports Authority Passenger Terminal Bldg.

Nov. 8 — Louisville — Kentuckiana World Commerce Council meeting, Holiday Inn Brownsboro Northeast.

Nov. 9—Louisville—28th Kentucky World Trade Conference, on Anglo-U.S. Relations, University of Louisville.

Nov. 10—Louisville—International Credit and Finance Assn. meeting, Rodeway Inn.

Nov. 10 — Chattanooga — World Trade Council meeting, Chattanooga Choo Choo.

Nov. 11—New York—FCIB Drug, Chemical & Food Export Club annual meeting & election of officers, Playboy Club.

Nov. 14—Charleston, S.C.—Doing Business with Hong Kong workshop, featuring Y.Y. Kwok, Commercial Specialist, American Consulate General, Hong Kong. Reservations: 803-577-4171, ext. 361.

Nov. 14-15—Los Angeles—World Trade Institute seminar on International Compensation and Related Personnel Practices, World Trade Center.

Nov. 15—Memphis—World Trade Club meeting, Southwestern University.

Nov. 15—New York—FCIB Hardware-Automotive & Allied Trades Group meeting, Summit Hotel.

Nov. 15—New York—National Foreign Trade Council Convention. Commerce speakers will be led by Frank A. Weil, Assistant Secretary for Domestic and International Business.

Nov. 15—Tulsa—Tulsa and Oklahoma Chambers of Commerce seminar on Iran and the Near East. Commerce speaker: Michel Smith, Commerce Action Group for the Near East.

Nov. 15-16—New York—FCIB International Credit Executives seminar, St. Regis-Sheraton.

Nov. 16 — Dallas — International Trade Assn. and Dallas Chamber of Commerce seminar on Iran and the Near East. Commerce speaker: Michel Smith, CAGNE.

Nov. 16—Des Moines—Seminar on Doing Business in Latin America—Colombia, Ecuador, Venezuela, at Hyatt House. Commerce speaker: Thomas Brewer, Office of International Marketing. Sponsors: Iowa District Export Council, World Trade Council, Development Commission, Manufacturers Assn.; Center for Industrial Research & Service, Iowa State Univ.; Des Moines Commerce District Office.

Nov. 16-17—Greenville, S.C.—Spartanburg International Trade Club meeting, Textile Hall. Featured speaker: Y.Y. Kwok, Commercial Specialist, American Consulate General, Hong Kong. Reservations: Butler Mullin, 803-233-2562. Also, Greater Greenville Chamber of Commerce workshop on Doing Business with Hong Kong, featuring State and Commerce Department speakers. Reservations: 803-242-1051.

Nov. 17-18—New York—World Trade Institute seminars: International Economics for Executives, and Solving Financial and Logistical Problems through International Trade.

Nov. 18—Houston—Seminar on Iran and the Near East. Commerce speaker: Michel Smith, CAGNE. Sponsor: Southwestern Foundation for International Business, Education and Research.

Nov. 22—Philadelphia—Frank A. Weil, Assistant Secretary of Commerce for Domestic and International Business, will speak before Philadelphia International Business Forum.

INTERNATIONAL BUSINESS REPORTS

Firms, Subsidiaries and Affiliates Operating in, and/or Having Interests in Brazil and the United States. $51.50 first copy, $41.50 each additional.
Identifies more than 1,000 firms listed by location and indexed by commodity.

Write: Brazilian-American Chamber of Commerce, Inc., 22 West 48th St., New York, N.Y. 10036.

U.S. Customs, Tariffs, and Trade. By Eugene T. Rossides. Published by the Bureau of National Affairs. October. 844pp. $45.
Guide through the maze of laws and regulations that govern the movement of goods into the United States. Intended for day-to-day use and reference by executives and legal counsel of domestic manufacturers and importers and foreign exporters, as well as by customhouse brokers and other international trade intermediaries. According to the publisher, the focus is on saving time and money, reducing costs, and minimizing problems. Considers tariff and trade laws, procedures involved in importing goods, classification and valuation, duty exemptions and adjustments, merchandise requirements and limitations, customs enforcement procedures, remedies against foreign unfair trade practices, relief from import trade injury, and requirements for litigation in customs courts. Includes appendices and index.

Write: BNA Books, 1231 25th St. NW., Washington, D.C. 20037.

Foreign Exchange Markets: A Guide to Foreign Currency Operations. By Heinz Riehl and Rita Rodriguez. 284pp. $19.50.
Begins with introduction to influential participants in foreign exchange markets, and goes on to explain how different types of exchange and interest rates function and compare with one another, how to assess and control the risks involved in foreign currency operations, and how to calculate profits and losses incurred in exchange transactions. Specific examples of international financial market operations are provided.

Write: McGraw-Hill Book Co., 1221 Avenue of the Americas, New York, N.Y. 10020.

Economic Survey for Canada. Published by the Organization for Economic Cooperation and Development. 52pp. $2.50.
According to this report, "Canada witnessed some readjustment in its relative economic position vis-a-vis the rest of the OECD area last year. In 1974-75, at the cost of a deterioration in the relative inflationary performance and the external balance, Canada had resisted the international recession much better than most other industrialized countries. In 1976, following a change in policy, inflationary developments, and to some extent the external position, were brought under better control."

Write: OECD Publications Center, Suite 1207, 1750 Penn. Ave. NW., Washington, D.C. 20006.

Barter: Opportunity for International Business. $800.
Details how firms have used non-cash trading to expand their exports. Covers problems and prospects of international trade, barter and alternative forms of compensation, detailed case histories, gearing up for barter operations, government regulations and attitudes concerning barter, risks in barter trading, and advantages of barter.

Write: Experience Incorporated, 1930 Dain Tower, Minneapolis, Minn. 55402.

The Complete Book of International Investing. By Rainer Esslen. 368pp. $20.
Reviews investment markets of the world, including the foreign securities market in the United States, the Eurobond market, gold and gold shares, and offshore tax havens.

Write: McGraw-Hill Book Co., 1221 Avenue of the Americas, New York, N.Y. 10020.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about upcoming trade exhibits and trade missions, licensing and joint venture proposals, opportunities to sell to foreign enterprises, and details on major construction and expansion projects.

U.S. Promotions Abroad

For more facts on these and other U.S. exhibitions write: Director, Office of International Marketing, Rm. 4015, U.S. Department of Commerce, Washington, D.C. 20230. For trade missions: Rm. 6051, U.S. Department of Commerce, Washington, D.C. 20230.

Chemical and Petrochemical Exhibition. U.S. Trade Center, Tehran. Jan. 22-26. Iranian government planners have placed special emphasis on the rapidly expanding chemical and petrochemical industries. In the next ten years, Iran plans to spend $8 billion on the petrochemical industry alone, and the long-range outlook for other chemical and downstream petrochemical industries is one of accelerated development. In aggregate, Iran will purchase an estimated $177 million worth of chemically associated equipment in 1980, while annual capital expenditures in this field are expected to reach $1 billion by the beginning of the next decade. Contact Don Ryan, 202-377-2952.

Computer Systems Seminar Mission. Spain, Greece and Turkey. Jan. 23-Feb. 4. A computer seminar appears particularly timely for these three markets as industry and financial institutions press for increased efficiency and better utilization of computer systems. Greece's application for early membership in the common market has increased awareness of electronic data processing requirements. In Turkey an attractive longer term potential exists in government data processing as the concept for large base applications develops. Expansion in the Spanish market promises to be exceptional, stimulated in part by broader and more sophisticated usage of data communications networks and also spurred by new industrial and scientific EDP applications. Julian Hammond, 202-377-4918.

Petroleum Exploration, Drilling and Pipeline Equipment Exhibition. U.S. Trade Center, Mexico City. Jan. 24-26. Exhibition being held to help insure that U.S. firms receive their share of the $15.5 billion the Mexican Government will be spending on new investment in this field through 1982. Market survey summary available. C. M. Cummings, 202-377-4463.

Process Control and Instrumentation Exhibitions (Tandem). U.S. Trade Centers, Milan, Jan. 24-27, Paris, Jan. 31-Feb. 3. The Italian process control market is in continuous growth and total consumption will exceed $172 million by 1980. Imports account for over 39 percent of the total market, with the U.S. share to increase 14 percent by 1980. Italian import taxes have been revoked, making Italy a strong market for U.S. firms. French process control imports amounted to $69 million in 1976. The consumption rate is projected to increase by 9 percent annually, with the U.S. import share rising 12-14 percent. Bill McClure, 202-377-4975.

Agribusiness Seminar Mission to Ivory Coast, Cameroon and Zaire. February. Will highlight advanced U.S. equipment, techniques and systems for agricultural development. Self-sufficiency in food production is a primary goal in current development plans for all three countries. Major efforts will be made to increase volume of export crops (corn, coffee, cocoa, oil palm, cotton and sugar cane). In the Ivory Coast, sugar cane was not cultivated until 1975. The Ivorian sugar cane crop is projected to exceed 2 million tons by 1980, representing a 20-fold increase. Agribusiness projects in Cameroon include $9.2 million for rice production, $7.5 million for sugar and $14.5 million for livestock. Zaire plans public expenditures of $80 million, 1975-80, to expand output of palm oil, cotton, maize, fish, livestock. Jonnell Jacobson, 202-377-4918.

Electrical Energy Systems Seminar Mission to Taiwan, Hong Kong and the Philippines. February. Large expansion programs to increase energy production are planned in all three countries. The National Power Corp. of the Philippines has a longrange strategy to develop alternative sources of power, in addition to oil-fired thermal plants, including construction of hydro, geothermal, and coal-fired plants, plus nuclear power development. The National Electrification Administration has a goal to electrify every barrio in the Philippines by 1985, with continued U.S. AID financial assistance plus an IBRD loan of $25 million planned for late 1978. The Manila Electric Co. has projected purchases of foreign components worth $67 million from 1978-82 to meet transmission and distribution requirements. The China Power and Light Co., Ltd. plans expansion of 1,400 mw in generating facilities by 1986 in Hong Kong. Three new town projects are scheduled for completion by 1980, with need to supply a million people occupying 5,000 hectares with electricity. In addition, a 260-acre industrial estate near Taipo will require additional utility services and increase power consumption. The Taiwan Government has called for three new nuclear plants as one of ten major projects to be begun by 1980. Forward planning includes thermal and hydroelectric projects; Taiwan Power Co. is aiming for an installed capacity of 19.1 million kw in 1985. Jonnell Jacobson, 202-377-4918.

U.S. Materials Handling Equipment Trade Mission to Oman, Qatar, Bahrain. February. U.S. manufacturers and suppliers of materials handling equipment primarily associated with the construction industry, and equipment related to cargo handling (port and inland) will find good opportunities in these markets. Major projects, ongoing and projected, are centered around industrial and infrastructure development, with heavy emphasis on housing, port development and civic works. Contact Robert Bucalo, 202-377-4511.

Computers and Peripheral Equipment Exhibition. U.S. Trade Center, Tokyo. Feb. 6-10. The Japanese market for computers and peripherals is expected to expand at an average annual rate of 18 percent from $2 billion in 1975 to an estimated $4.5 billion in 1980. Japanese imports of U.S. equipment are expected to reach $375 million in 1980—a 58 percent share of the import market. Market summary and research available. Robert Levine, 202-377-4379.

Scan-Tronics (Electronic Components and Assemblies) Exhibition and Seminar. U.S. Trade Center for Scandinavia, Stockholm. Feb. 7-10. The United States is a major supplier of electronic components to the Nordic countries—Sweden, Norway, Finland and Denmark. With a market approaching $400 million in 1976, Sweden imported $61 million of components and assemblies from the United States, which is the chief supplier of semiconductors, and a leading supplier of passive components and electronic tubes. The pace of investment is expected to increase, and U.S. technology will be in great demand. William Beiring, 202-377-3276.

International Housewares Fair, Cologne. Feb. 16-19. Conservative estimates put total houseware market in countries of Western Europe (expanded European Community, as well as Austria, Switzerland, Sweden, Norway and Finland) at $10 billion annually. Products to be exhibited at American Pavilion include: domestic machines and appliances, kitchen utensils, household and cleaning aids, incidental furniture and wicker articles, cutlery and flatware, fine metalwares and tableware articles, gift items and arts and crafts. Loretta Allison, 202-377-2905.

U.S. Building Products & Construction Equipment Catalog Exhibition. Brussels. Feb. 17-26. U.S. exports of building products and construction equipment to Belgium rose from less than $32 million in 1972 to over $74 million in 1974. Demand should continue to grow for American-made products with a reputation for technological superiority, and for home improvement merchandise such as air-conditioning equipment, electric lighting fixtures, portable power tools, and some specialized miscellaneous items. Catalog Exhibition Section, 202-377-3973.

Avionics and Aviation Ground Support Equipment Exhibition and Seminar. U.S. International Marketing Center, Singapore. Feb. 20-24. As a major commercial, banking and tourist center in Asia, Singapore must constantly expand and upgrade its airport facilities, and capabilities. Passenger traffic is projected to reach ten million by 1982, a growth of 163 percent; freight

traffic is expected to increase 374 percent. New international airport is being constructed at Changi costing $528 million. George Paine, 202-377-2471.

Cardiovascular Research Seminar/Exhibit. U.S. Commercial Office, Moscow. Feb. 20-24. The Soviet Union plans to build 20 new cardiological centers during the next four years. Showpiece will be in Moscow. Reportedly, $5 million is to be spent for basic equipment. Jim Robb, 202-377-4810.

Mining and Heavy Construction Equipment Exhibition. U.S. Trade Center, Mexico City (off-site). Feb. 21-24. Mexico plans to double the production of many essential ores such as iron, copper, fluorite, and coal between 1977 and 1981. Government will complete or initiate construction on at least 10 earth-filled dams and hydroelectric projects within the next six years. Additional government plans call for initiation and completion of numerous highways and roads. To implement these plans, Mexico is expected to import almost $2.6 billion worth of mining and heavy construction equipment between 1977 and 1981. U.S. manufacturers, the suppliers of choice, will supply at least 70 percent. Mary R. Wiening, 202-377-2313.

Mining Equipment Seminar Mission to Morocco, Tunisia, Egypt. Feb. 25-March 10. Good markets exist in Morocco for shovel loaders, compressors, bulldozers, heavy-duty trucks, earthmoving equipment and related accessories. Small and medium-sized processing equipment is of special interest to Moroccan mining firms. In addition to its expanding phosphate production, Morocco is investing heavily in the exploitation of other minerals such as copper, lead, zinc and salt. Tunisia faces an urgent need to mechanize and automate its mines. A strong market exists for equipment used in both open pit and under-ground mining. Market prospects are particularly good in Egypt for substantial amounts of mining equipment needed to replace outdated and worn-out equipment. Phosphates, iron ore and salt are Egypt's most important minerals, which it is now beginning to produce in increasing quantities. Geoffrey H. Walser, 202-377-2973.

U.S. Building Products & Construction Equipment Catalog Exhibition. Rotterdam. Feb. 28-March 3. Building and construction is one of the Netherland's major industries. During the period 1972-76 U.S. exports to the Netherlands of building products and construction equipment increased 100 and 155 percent, respectively, totaling nearly $100 million in 1976. Although a 2 percent decrease in annual construction of housing units is expected by 1980 (to 104,000 units), a 25 percent increase in renovation is expected in the same period. Heavy construction of waterworks and roads is expected to continue through 1980. Because building products and construction equipment are marketed generally in the Netherlands through distributors and manufacturer's agents, this catalog exhibition should be especially valuable to U.S. manufacturers of this equipment. Catalog Exhibitions Section, 202-377-3973.

Machinery and Systems for Concrete Building Construction Seminar Mission, to Nigeria and Sudan. March. Construction in Nigeria is primarily concrete block or reinforced concrete. Total 1974 consumption of cement was 3.2 million metric tons. By 1980, consumption has been projected to reach 6.5 million m.t., an increase of 103 percent in six years. The building construction industry in Nigeria is expected to grow at an annual rate of 32 percent through 1980. The Sudanese Six-Year Development Plan is reportedly allocating $1 billion for housing and public utilities construction from an influx of public and private Arab capital. The lack of local manufacturing facilities and equipment assures that this $1 billion investment will result in substantial export opportunities for U.S. suppliers. Geoffrey H. Walser, 202-377-2973.

U.S. Food Processing & Packaging Equipment Trade Mission. Australia, New Zealand, Philippines. March. Australia, one of the world's major food producers and exporters, offers excellent immediate opportunities for U.S. FPP equipment manufacturers and suppliers. This market is forecast to climb an average rate of 10 percent annually from $100 million in 1975 to more than $145 million by 1979. In both the Philippines and New Zealand, government industrial development programs have placed high priorities on the food processing, packaging and agriculture sectors. U.S. equipment is highly favored by local end-users because of its high quality and performance, and availability of parts and service. Julian Hammond, 202-377-4918.

Food Processing and Packaging Equipment Exhibition. U.S. Trade Center, Tehran. March 5-9. The Iranian processed foods industry is projected to grow 12 percent annually through 1980. Growing consumer acceptance of processed foods and various government programs designed to promote processed food production insure a growing market for food processing and packaging equipment. Iranian imports of this equipment are expected to reach $183 million by 1980. Domestic Iranian industry will be able to supply only 5 percent of requirements. Bill Monroe, 202-377-2952.

Health Care Equipment Exhibition. U.S. Trade Center, Sao Paulo. March 6-10. Demand for medical equipment in Brazil, which approached a level of $80 million in 1975, is forecast to exceed $146 million in 1980. From 1971 through 1975, medical equipment purchases increased at an average annual rate of 30 percent. This rapid growth was attributed to the availability of special federal funds for investment in health care; the modernization of private health facilities, stimulated by the expansion of social security health service contracts to private institutions; and the efforts of prominent physicians to improve medical equipment used in their institutions. G. Lincoln McCurdy, 202-377-5427.

Safety and Security Equipment Exhibition. U.S. Trade Center, Stockholm. March 14-17. Market research just conducted shows expanding demand for equipment and systems in the safety and security areas in Sweden, Norway, Denmark and Finland. Rising crime and fire rates in Sweden are expected to lead to a 46 percent market expansion to $125 million by 1980. Nearly $36 million of that market will be supplied by imports, about 29 percent of total consumption. U.S. suppliers are very competitive in the following areas: fire and burglar alarm systems, alarm system components, access control systems and sprinkler systems. Contact Jim Price, 202-377-3276.

"Printemps Informatique"—Computers & Related Equipment Exhibition. U.S. Trade Center, Paris. March 14-17. Market research recently conducted in France has spotlighted excellent sales opportunities for American manufacturers and suppliers of computers and peripheral equipment. Imports are projected to rise above the $1 billion mark by 1980, to represent about 47 percent of the total French market. American manufacturers hold a commanding 80 percent share of the installed mainframe computer base in France. Looking to the future, minicomputers are the fastest growing segment of French EDP purchases. George Ruffner, 202-377-5381.

Automated Business and Banking Equipment Exhibition. U.S. Regional Trade Center, Singapore. March 27-31. Recent market research indicates a healthy demand for business equipment and systems in Singapore over the next few years. To maintain its present role as the commercial and financial center of the South-East Asia region, greater operational efficiency must be achieved through acquisition of increasingly sophisticated and automated equipment and systems. Among products identified as having highest sales potential are minicomputers for accounting purposes, microfilm cameras, processors and duplicators, microfilm storage and retrieval systems, plain paper copiers and duplicators, hand-held calculators with five or more functions, bank teller terminals, coin sorting and counting machines, bank proof and encoding machines, dictation/transcribing machines for decentralized systems. Sales to Singapore are expected to rise from $38.7 million in 1976 to $90.6 million by 1982. Contact George I. Middleton, 202-377-2471.

Microwave Components and Instrumentation. U.S. Trade Center, Tokyo. March 27-31. The Japanese market for this equipment is projected to grow at an annual rate in excess of 15 percent from 1976-80. The market centers upon research and development uses, prototype projects, and incorporation in systems for export. Also, advanced test equipment has excellent market potential, as U.S. equipment is highly regarded and there are few restrictions on its uses for systems and process controls. Mara Yachnin, 202-377-4383.

Printing and Graphic Arts Equipment Exhibition. U.S. Trade Center, Milan. March 28-31. Conditions in the Italian graphic industries equipment market now favor increased penetration by American manufacturers. A new push for modernization and rationalization is projected to result in a 9 percent jump in equipment purchases this year. Moreover, the increasing strength of the Italian economy, the stability of the lira, and the recent upward shifts in the value of the German and Swiss currencies make Italy a very attractive market for U.S. manufacturers. George Ruffner, 202-377-4384.

Health Care and Medical Equipment Catalog Exhibition. Salzburg, Austria. March 31-April 3. Austria is almost completely dependent upon imports for its biomedical equipment. Although West German companies more or less dominate the Austrian market, there is an increasing demand for sophisticated equipment from U.S. firms. There has been a nationwide fund drive for cancer research and for institutions for cancer diagnosis and therapy. There presently are more than 300 hospitals in Austria. The Federal Ministry of Public Health and Environmental Protection has an estimated budget in 1977 of $109 million, including contributions for construction of hospitals. Actual expenditures in 1975 amounted to $103 million. Call Catalog Exhibitions Section, 202-377-3973.

Pollution Control Equipment Exhibition. U.S. Trade Centers, London, April 3-6, and Paris, April 11-14. Recent research indi-

cates demand for U.S. pollution control equipment and instrumentation is higher than ever. Both governments have tightened pollution control standards with more to come in the near future. Combined present consumption of pollution control equipment of $628 million is estimated to grow to $900 million by 1980. The United States alone accounted for 25 percent of imports in both markets. The forecast rate of growth of U.S. exports to the United Kingdom and France over the next 3 years is estimated at 17 percent per year. Of significant importance is that overall investment in all types of pollution control equipment and instrumentation will increase slightly faster than industrial investment, due to increased public, government and industrial concern with quality of the environment. Call Robert Connan, 202-377-3465.

Electrical Energy Systems and Equipment Solo Exhibition. Caracas. April 3-8. Especially designed as a showcase for U.S. equipment and technology in the field of electrical energy. The Venezuelan Government's "Plan V," covering 1976-80, designates electrical energy as an area of highest priority for capital investment. Market research by the U.S. Department of Commerce indicates that demand for electrical energy in Venezuela is increasing at a 12 percent annual rate. Venezuela's "Plan V" programs $3 billion for investment in electrical energy systems during the five-year period. Don T. Mathes, 202-377-3957.

Printing and Graphic Arts Catalog Exhibition. New Delhi, Bombay, Calcutta and Madras. April 3-14. The market for printing and graphic arts equipment is expected to grow at an average rate of 90 percent annually between 1977 and 1982, according to estimates based on market research in India. Imports of equipment in this product category are expected to reach $30 million in 1981. Emphasis is being placed on improved quality and efficiency, particularly for printed packaging, promotional materials, commercial stationery and trade literature. India's improved foreign exchange reserves and liberalized import control policies provide a unique marketing opportunity for U.S. exporters. Catalog Exhibitions Section, 202-377-3973.

Pulp and Paper Production Equipment. U.S. Trade Center, Stockholm. April 4-7. Off-site participation in SPCI 78, sponsored by the Swedish Assn. of Pulp and Paper Engineers in conjunction with sister organizations in Finland, Norway and Denmark. In Sweden, the market for pulp/papermaking equipment rose from $114 million in 1974 to $164 million in 1976 and is expected to reach $252 million in 1979. Imports doubled from 1974 to $120 million in 1976 and are projected to expand 80 percent to $216 million by 1979. U.S. suppliers are strong in the areas of process controls, computers and pollution equipment. Contact William Beiring, 202-377-3276.

Electronics Industry Production Machinery, Test Instrumentation and Special Materials Exhibition. U.S. Trade Center, Taipei. April 10-14. Market research on the above equipment shows the market in 1976 was US$133 million, with projections of $144 million for 1978 and $162 million for 1980. Imports were $65 million, $78 million and $94 million, respectively. The United States is the single major source for these products, accounting for 47 percent of imports in 1976. Market research and basic summary available. Contact Joseph Burke, 202-377-5402.

New Technology for Land Reclamation Seminar/Exhibit. U.S. Commercial Office, Moscow. April 17-21. Beginning with the Ninth Five-Year Plan period (1971-75) the Soviet Union has pursued a program of comprehensive land reclamation in both the boggy areas of the Russian Republic and arid areas of the southern republics. There is an acute need for irrigation and drainage technology in the USSR. Soviet planners have expressed interest and preference for American technology for remote sensing of water sources; drainage technology; satellite identification of geophysical characteristics; application of solar and wind energy to land reclamation; use of soft, high-strength materials in hydrological construction; technology for highly durable pipe systems used in soil irrigation; organization and execution of soil preparation. Call Jim Robb or Edgar Fulton, 202-377-4810.

Analytica '78. Munich Fairground. April 18-22. Analytica, held in conjunction with the European Conference, "Biochemische Analytik," is considered to be the most important European communication center for biochemical and instrumental analysis. Held every two years since 1968, it has developed into an outstanding forum for the exchange of technical information between those engaged in research and production and users in research, education and industry. Don Schmadel, 202-377-2920.

Industrial Process Control Instrumentation Exhibition. U.S. Trade Center, Tokyo. April 24-28. Carefully researched projections of the Japanese market for industrial process control instrumentation indicate consumption in 1978 of $520.6 million with imports of $26.6 million, of which the U.S. share is estimated to be 87.2 percent or $23.2 million. Continued growth is indicated for electric/electronic, non-electric/non-electronic process control instrumentation and automatic control and regulator valves. Best sales prospects will be for electric and electronic instruments with applications in following industry sectors: industrial organic chemicals manufacturing; blast furnaces and basic steel mills; electricity generation and distribution; and water supply. Cantwell Walsh, 202-377-4399.

Packaging and Food Processing Equipment Exhibition and Seminar. U.S. Trade Center, Mexico City. April 25-28. Promotion campaign aims to attract the most highly qualified buyers, agents and representatives. U.S. sales are expected to exceed $300 million in the next three years. A market survey summary is available, outlining the best sales potential for U.S. companies in Mexico and other information about Mexican industry. Contact Charles Cummings, 202-377-4463.

"Construction USA '78". U.S. Trade Center, Taipei. May 1-5. The Republic of China (Taiwan) is experiencing a construction boom which should continue into the next decade. Its consumption of heavy construction machinery equipment, $147.7 million in 1976 and expected to reach $335 million by 1982, should accelerate as the 72 major infrastructure projects announced in the latest Six-Year Plan are implemented. The government has recently called for direct sourcing of capital equipment in the construction equipment field, from U.S. suppliers in many instances. Nearly 200,000 new dwellings are required. the tall building ban has been lifted and a new 25-story World Trade Center Tower will be built as soon as operations are shifted from the present airport to the massive new Taoyuan International Airport west of Taipei in early 1978. Several large Taiwan construction contractors are acquiring valuable contracts in other markets. High capacity and dependable machines are eagerly sought for hydroelectric, thermal-electric and diesel power generation projects, railroad modernization and expansion, and highway and bridge construction throughout the island. Dave Horridge, 202-377-3399 or 4961.

EDP/USA '78—U.S. Trade Center, Milan. May 9-13. The only computer-related exhibition to be held in Italy during 1978, and considered the single most important EDP exhibition in Southern Europe. The Italian EDP market is forecast to double by 1980, reaching a value of $800 million. Imports in this same time period will show a similar growth, and U.S. firms will control the lion's share of this important market. Equipment and services with highest sales forecasts are mini-micro computers along with small systems, all forms of traditional peripheral equipment, data communications equipment, leasing of expensive systems and trained EDP manpower. Contact Bill McClure, 202-377-4975.

Aviation Equipment Exhibition. U.S. Trade Center, Sao Paulo. May 15-19. The market in Brazil for airborne avionics is projected to reach $17.8 million by 1979, and the market for ground-based avionics $9.6 million. Imports account for 90 percent of airborne avionics sales and 95 percent for ground-based avionics. Equipment with highest sales potential includes airborne communications, navigation, and flight instrumentation equipment; airborne and ground-based radar; ground-based navigation, approach, and landing aids; and airport support equipment. Demand for avionics and airport support equipment should continue to increase as a result of planned airport modernization and construction, growth of the civil aviation fleet, and passage of government regulations concerning mandatory use of transponders in radar control environment and proposed permission for single-engine IFR flights. Sam Dhir, 202-377-5427.

Luxury Consumer Goods and Sporting Equipment. Caracas. May 15-20. The Venezuelan market for luxury consumer goods is expected to grow at an average annual rate of more than 30 percent through 1979, which will boost sales to over $200 million. Demand is a result of a long splurge by consumers, who are spending record petroleum revenues on prestigious American consumer goods. The Venezuelan demand for luxury consumer goods has led to a market share of 60 percent for U.S. products in this category. Tom Jacka, 202-377-4832.

Industrial and Commercial Security Equipment. U.S. Trade Center, Paris. May 30-June 2. The market for this equipment in France continues to grow. Government-supported anti-burglary campaigns and dramatic insurance premium discounts provide additional incentive for the installation of both fire and theft detection equipment and systems. Robert Wallace, 202-377-3748.

Industrial Process Control Instrumentation Exhibition. U.S. Trade Center, London. June 5-9. The U.K. market for process control instrumentation was valued at $500 million in 1976 and is projected to be $800 million by 1982. Availability of high quality crude oil from the North Sea is spurring ambitious plans for a huge petrochemical industry in the U.K. This opens many opportunities, since U.S. firms are highly regarded for technological ability and sophisticated equipment, especially in areas of natural gas liquids production,

petroleum refineries, plastics and synthetics, drug manufacturing, paint manufacturing, organic chemicals, primary metals and electricity generation and distribution. Bill Flanagan, 202-377-3459.

Electronic Components Exhibition, U.S. Trade Center, Sao Paulo. June 5-9. The Brazilian market for electronic components, including electron tubes, passive components and semiconductors, has shown continuous expansion during the past 10 years. The average annual rate of growth through 1980 is projected at 9 percent, with a total market of $582 million in 1980. The U.S. share of the import market is expected to reach 58 percent in 1980, an increase of 10.4 percent over 1976. Best sales prospects for U.S. manufacturers of electronic components include glass, vitreous enamel, ceramic and variable capacitors; device sockets and socket panel connectors; delay lines; two-layer printed circuits; discrete and multidigit light-emitting diode readout devices; fractional HP motors; bipolar small signal transistors; R.F. microwave power transistors; rectifiers; thyristors; optoelectronics; digital bipolar memory; linear amplifiers; voltage regulators and references; and digital MOS. Annette V. Napper, 202-377-5427.

Printing and Graphic Arts Equipment. Caracas. June 26-July 1. Venezuela's market for graphic industries equipment is expanding vigorously, and is projected to top $54 million a year by 1981. The government, in an attempt to deploy the fruits of the oil boom, is strengthening and diversifying the economy. Business and government are both becoming more document-conscious, and improved living standards are generating new interest in reading matter and product packaging. The printing industry will increase its investment in equipment by an average of 11 percent annually from $35 million in 1977, to meet the rapidly growing demand. The last four U.S. trade fairs in Venezuela were oversubscribed. Space can be assured by pre-registration with Hans J. Amrhein, 202-377-2332/2995.

Farnborough International 78. Farnborough, England. Sept. 3-10. The prestigious Farnborough Air Show and Flying Display will be the largest international air show held in 1978. The U.S. Department of Commerce is sponsoring an exhibition of American manufacturers and service organizations there for the third time since the event became international in 1974. The U.S. exhibition in 1976 drew visitors from 39 nations. The market for aircraft and aviation equipment including avionics in the EEC and Middle East is expected to total over $6 billion in 1979. British consumption of ground support and avionics equipment is projected to reach $205 million in 1979, of which imports may total $150 million. Twin-engine aircraft sales are expected to grow by 15 percent. A steady increase in light helicopter sales is also projected through 1979. A wide range of avionics and aviation equipment are indicated as best sales prospects, including aircraft engines and parts, air traffic control systems and components, airport surface detection and components, noise monitoring and specialized test equipment, engineering rig instrumentation, computerized security, passenger and baggage surveillance equipment, passenger information and communication equipment, navigational equipment, electronic search and detection equipment, aircraft and aircraft support equipment. aerospace metals and materials. James H. LeFeaver, 202-377-4104.

Licensing, Investment Abroad

MIDDLE EAST/NORTH AFRICA—Cypriot agribusiness consulting and trading company desires contact with U.S. companies wishing to provide know-how and/or capital for various projects. Fields of interest include **fruit and vegetable canning, processing, marketing; ham and sausage processing; flower and vegetable production; onion and garlic dehydration; plastic zipper manufacturing; bicycle production; land development; a knitwear plant and gravel crushing plant.** Official of firm is currently in U.S. for discussions with interested U.S. companies. Additional information available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-77996. OPIC.

1629—PAKISTAN—Government corporation wants to obtain **subcontracting work** with U.S. firms engaged in **power generation, distribution and transmission projects** in Middle East and South Asia. Company can supply skilled and unskilled labor, engineering, construction supervision and management. Currently has $70 million project in Saudi Arabia which includes installation of two 20-megawatt machines. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. WTDR. P-771003. OPIC.

2076 — MEXICO — Technical know-how sought to produce **avocado oil.** Established in 1957, firm is manufacturer of industrial chemicals. Jose Antonio Vera O., Sales Dir., Turco & Descalzi De Mexico, S.A., Poniente 148 No. 974, Col. Industrial Vallejo, Mexico 16, D.F. Telephone: 567-1241. P-771004.

2821 — MEXICO — Seeks technology to **manufacture resins for paint and paper industry, polymeric plasticizers and acrylic resins.** Firm belongs to Egon Meyer Group which is capitalized at 80 million pesos, has over 20 years experience in distribution of chemicals. Victor M. Machuca, Gen. Mgr., Solventes, Resinas y Plastificantes, S.A., Av. Henry Ford No. 38, Fracc. Industrial San Javier, Tlalnepantla, Edo. De Mexico. Telephone: 565-1311. WTDR. P-771000.

2834—THAILAND—Seeks joint venture partner to produce normal **saline solution.** Somphong Wanapha, Chief Representative, Office of Thailand Board of Investment, Five World Trade Center, Suite 3443, New York, N.Y. 10048. P-77979. OPIC.

2875—JAPAN—Seeks advanced technology for **processing sludge into compost.** Interested in energy saving, high speed, continuous mechanical processing systems. Wants to treat sludge left by sewage, industrial waste water and animal waste. Firm is largest automobile wheel manufacturer in Japan. Operates nine plants, has sales offices in six major Japanese cities. Annual sales about $280 million; employs 4,000. Norio Hatakeyama, Foreign Trade Dept., Topy Industries, Ltd., Toa Bldg., No. 5, Yonban-cho, Chiyoda-ku, Tokyo 102. P-77997.

2891—GERMANY—Seeks licenses to **manufacture special adhesives to be used in furniture, packaging, paper processing and construction industry.** In return, German firm offers fusion adhesives for furniture industry to be produced under license in U.S. Company employs 30, has annual sales of $2.3 million. Wilhelm Eib, Mgr., Chemische Fabrik L. Zimmermann, P.O. Box 7480, D-7417 Pfullingen. Telex: 729 642; telephone 7121/7565. P-77999.

3031—JAPAN—Seek exclusive licensing agreement for latest U.S. technology for **paving athletic tracks, fields and courts with old tire chips using urethane or other chemicals as adhesive.** Founded in 1948, firm is manufacturer of natural and synthetic products including industrial items, footwear, golf and bowling balls. Employs 1,000, has annual sales of $45 million. Akifumi Miyaji, Dir., Planning & Development Department, Hiroshima Kasei, Ltd., 2-2 Matsuhama-cho, Fukuyama City, Hiroshima Prefecture 720. Telephone: Fukuyama (0849) 21-2220; telex 64378 Hiroka. P-771001.

3079—AUSTRIA—Seeks licenses to manufacture **products made of thermoplastic materials in combination with metal parts** for sale in Europe. Established 1899, firm employs 140; manufactures interior decorating articles using modern injection molding machines. Peter Sunley, Wien-Fischamender Metallwarenfabrik Josef Suschny & Soehne, A-2401 Fischamend bei Wien. Economic Commercial Section, U.S. Emb., 1X Boltzmanngasse 16, A-1091 Vienna, would appreciate receiving copy of correspondence sent to Mr. Sunley. P-77980.

3079—GERMANY—Seeks agreement for exchange of licensees and know-how with U.S. firm to manufacture **plastic bathroom products such as shower fittings.** German firm produces plastic bathroom articles including toilet seats, water tanks, furniture. Established 1970, company employs 130; has annual sales of $7.5 million. It distributes in Northern Europe and has some contacts with Eastern bloc countries. Guenther Heinz, Geschaeftsfuehrer SCHWAB Sanitaer-Plastic-GmbH, P.O. Box 124, D-7410 Reutlingen. Telephone 7121/8415; telex 729 641. WTDR. P-771002.

3079—MEXICO — Seeks technology to manufacture **PVC and urethane materials for clothing, upholstery, furniture, etc.** Wants agreement to include formulations, new products, organization; would like to exchange ideas, if possible. Firm is 100 percent Mexican owned, has no licensing agreements with any U.S. firm. Has developed market research on above products. Ing. Carlos Gruener, Sales Dir., Sutsa Print De Mexico, S.A., Calle 6 No. 13, Fracc. Industrial Rustica Xalostoc, Sta. Clara, Edo. de Mexico. Telephone: 569-1333. WTDR. P-77998.

3140, 3694 — BARBADOS — Technical know-how, machinery, equipment is sought to produce **women's, men's, children's shoes; and spark plugs.** F. W. Murrell, Asst. Mgr., Investment Div., Barbados Industrial Development Corp., Pelican Industrial Park, Bridgetown. P-771005. OPIC.

3264, 3661—VENEZUELA—Firm seeks technical know-how used in manufacture of porcelain insulators for electric high-tension cables. Firm also desires technical assistance in production of **radio-telegraphy plates.** Company is interested in joint venture turnkey projects. Ing. Eduardo Riveros, Asezulia S.R.L., Centro Comercial Las Tinajitas, Local 1-2, Calle 72 Con Avenida 3H, Maracaibo, Zulia. Telephone, 061-73515/16 73964; telex, 62272 ACINC. P-77981.

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. WTDR request forms may be obtained from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

3356—MEXICO—Factory which processes **silver and silver alloys** for industrial applications is offered for sale. Plant employs 180, works three shifts. S. Charlotte Pelz Von Wintersberg, Lava No. 281, Jardines Del Pedregal De San Angel, Mexico 20, D.F. Telephone: 905-568-17-42. WTDR. P-77982.

3551—NEW ZEALAND—Seeks licenses to manufacture and market **continuous cookers and presses for meat rendering industry, particularly cookers and crackling expellers of screw press type.** Firm also wants price quotations on cooker capable of handling 8,500 pounds of pre-broken meat and bone meal per hour, and expeller to handle output of cooker. Fish processing equipment is also of interest. New Zealand firm is already exporting range of abattoir equipment, including batch cooking types, to countries in Pacific Basin. Concern is part of substantial group, has extensive production facilities. G. Thomson, Mgr., Mason International Ltd., P.O. Box 244, Auckland. Telephone, 661-209; telex, NZ2340. P-77983.

3552—UNITED KINGDOM—Manufacturer of wool textile equipment such as shakers, conveying systems and dust control equipment seeks licenses. Is interested in producing and selling **complementary textile machinery or dust control package units** for expanding U.K. market. Firm also makes range of dust and fume control systems, acounstic enclosures and machinery guarding. Is interested in locating U.S. licensee to manufacture its wool shaker system. G. F. Brook, Chmn. & Mng. Dir., Morley Bros. (Huddersfield) Ltd., Lincoln St., Huddersfield HD1, GRU, England. P-77993.

3559—UNITED KINGDOM—Seeks licenses to produce **specialized machinery (unit value in range of $10,000 to $75,000) for sale to textile, plastic or paper industries.** Established 1852, firm makes fiber recycling machinery, non-woven fabric equipment, rigid card clothing machines. Sells worldwide, employs 120. Is affiliated with group serving paper and plastics field. M. Samuelson, Mng. Dir., Garnett-Bywater Ltd., Cleckheaton, Yorkshire BD19 5EE, England. Copies of firm's product literature are available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-77991.

3561—INDIA—Leading pump manufacturer seeks technical know-how to produce **horizontal pumps.** Would purchase U.S. machinery and related special equipment. Plant to be established in West Bengal would have annual capacity of 25,000 units, including special process pumps for chemical, petrochemical, fertilizer, food processing, paper and pulp industries. According to firm, there is growing domestic demand for these pumps which is met mainly through imports. Company presently produces vertical, turbine, propeller and submersible pumps in two well equipped plants. Facilities include gray iron foundries. Firm employs 650; 1976 sales, $5.9 million. Exports to Southeast Asia and Near East. B. Kapoor, Gen. Mgr., Johnston Pumps India Ltd., 2 Fairlie Place, Calcutta 700001. Cable: JAYPUMPS, Calcutta; telex, MACNEIL CA 7365; telephone, 224301. Additional details available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-77984. OPIC.

3585—SAUDI ARABIA—Seeks joint venture or license to manufacture **household refrigerators, air conditioning units, cold storage room equipment and air purification units.** Firm prefers joint venture and is willing to negotiate percentage of participation. It will, however, consider licensing agreement contingent upon availability of technical know-how from U.S. licensor. Plans calls for initial annual production of 12,000 refrigerators, 10,000 cold storage room units, 30,000 air conditioners (12,000 to 26,000 BTU), 7,000 air purification units. Interested American companies are requested to telex the number listed below prefacing message with "NASR PRINTERS." Ismail Ibrahim Al Ukajyli, NASR Industrial Group (AKA NASR Printers), P.O. Box 1582. Telephone: 20239. WTDR. P-77985. OPIC.

3589—UNITED KINGDOM—Firm with wide range of experience in design, fabrication, installations of pipe systems, pipelines and related equipment seeks representation, licensing agreements. Company is well connected in civil engineering, process plants and North Sea oil; is interested in products for these markets. Interests include **irrigation and filtration equipment, packaged effluent systems, mini sewage treatment and water treatment systems.** Concern also seeks license for **plastic molding techniques** for medium production runs. It sells to Africa, Near East, Europe (except EFTA) and East Asia. Employs 400, and 60 salesmen. H. C. Ruffle, Exec. Chmn., L.C.A. Pipelines Ltd., Whitehall Estate, Leeds LS12 5PZ, W, Yorks, England. Copies of firm's product literature are available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230, P-77994.

3634—NEW ZEALAND—Seeks license, technical support to produce **ventilating fans.** Fans should be in range of inlet volume of 100 cu. ft. per minute to several thousand cu. ft. per minute at pressure of up to 40-in. water gage. Local firm is established company in engineering industry. Mrs. M. A. Cunningham, NU-CON Systems Ltd., P.O. Box 12264, Penrose, Auckland. Telephone, 593-951; telex, NZ21436. P-77987.

3643—FRANCE—Firm engaged in underwater research and development seeks license to manufacture Kevlar terminals for **submersible marine cables.** Concern produces underwater vehicles, servo systems, gyroscopes, depth indicators and pressure transducers. Has developed high degree of technology in mechanics, electromechanics, hydraulics, electronics. Customers include French navy, major industrial companies. Mr. Corman, Eng., Conseils et Services Internationaux, 18 Ave. de Messine, 75008 Paris. Telephone: 296-3268. P-77986.

3662—INDIA—Large engineering firm seeks license or similar agreement to produce **smoke alarms.** As part of its diversification, company wants to initially make ionization and/or photo electric type alarms. Concern and its subsidiaries manufacture wide range of products, including diamond tools, diesel engines, electric motors, pumps, gears and carbon brushes.

Important Notice

Most member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specific types of business relationships with the State of Israel. The Commerce Department will not disseminate nor make available for inspection any tenders or trade opportunity documents which contain conditions intended to support such boycotts, or which are based on documents known to contain such provisions. Trade or investment opportunities published herein are not presently known to be subject to such conditions. However, it is possible that U.S. firms responding to opportunities from Arab countries may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (b) to encourage and request U.S. concerns engaged in the export of articles, materials, supplies, or information to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting such restrictive trade practices or boycotts. Accordingly, U.S. concerns receiving such requests to participate in a restrictive trade practice or boycott are encouraged and requested to refuse to comply with them.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such request to the Department of Commerce in accordance with Section 369.4 of the above-cited regulations.

Has licensing or joint venture arrangements with number of foreign firms. Well regarded for its technical and managerial capabilities. Annual sales, over $67 million. M. B. Bhaskare, Mng. Dir., Greaves Cotton & Co. Ltd., 1 Dr. V.B. Gandhi Marg, Bombay 400 023. WTDR. P-77992. OPIC. Firms responding to this proposal are requested to send copy of their initial correspondence to Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230.

3731—IRAN—Iranian businessman seeks contacts with U.S. constructors of fishing vessels who wish to participate as consultants or joint venture partners in establishing **fishing vessel construction/repair facility** on Iranian side of Persian Gulf. Farad Ghadery, Mng. Dir., Kong Co., 178 South Amirabad, Tehran. Telephone, 92377; telex, 212720—SHILAR. P-77988. OPIC.

3800, 3600—ISRAEL—Seeks to contact manufacturers of **professional and military electronic components and systems** for possible representation and stocking. Firm also desires to obtain technical know-how for **manufacture of electronic instrumentation, measuring instrumentation, data processing and medical electronic instruments.** Capital investment will be borne by Israeli company; will purchase equipment if necessary. Victor Berenstein, representative of firm, will be in U.S. Nov. 1-Dec. 10. He can be reached at B & B Technical Enterprises Ltd., c/o H. Weschsler, 661 York Town Place, Paramus, N.J. 07652. P-77995. OPIC.

3944, 3949—PHILIPPINES—Local plastic manufacturing firm is interested in obtaining license to manufacture **plastic toys.** Company is also interested in supplying **golf club** manufacturers with **components** used in golf club assembly. Toy production would be primarily for export market. Emilio C. Yu, Gen. Mgr., Transoceanic Industrial Corp., 28 General Tinio St., Caloocan City, Metro Manila. P-77989. OPIC.

4511—NIGERIA—Seeks technically qualified joint venture partner for **cargo-passenger air charter business.** Equity terms of venture are negotiable. Nigerian concern is incorporated subsidiary of New Africa Development Co., Ltd., Muyiwa Omisade, Dir., Inter Continental Air Charter Ltd., N. Unity House, 37, Marina, Lagos, P.O. Box 4256. Cable: INCONAIR, Lagos. WTDR. P-77990.

5812 — NIGERIA — Entrepreneur seeks U.S. management assistance to establish **restaurant** in new Tafawa Balewa Center in heart of Lagos. Area is 203 sq. m. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-771006.

Direct Sales

The following trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Program, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest indicated by codes 0111-1799 and 4011-8999 are based on the Standard Industrial Classification Manual, 1972; codes 20 through 39 come from Numerical List of Manufactured Products (New 1972 SIC Basis), MC72-1, 2. Codes beginning with 99 are from the TOP coding system.

U.S. firms should be aware that the listing in Commerce America *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Department's Export Administration Regulations. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

Fisheries

0919 — JAPAN — Direct sale opportunity for abalone & sea urchin, fresh. Est. annual purchase $20,000. Buyer will sell items to central market in Kobe & Osaka. Specializes in food items & industrial machines. Annual sales $5 million. Ref.: Taiyo-Kobe Bank, Boeki-Center Bldg. Branch. Reply to —Ms. K. Ueeda, Import Div., Yoshizumi & Co., Ltd., Kobe Shoko Boeki Center Bldg., 1-14, Hambe-Dori 5-Chome, Fukiaki-Ku, Kobe 651. Cable YOSHIZUMI KOBE; tel. 078-251-3225; telex 78676 YOSHIZUMI.

Miscellaneous metallic ores

1099 — JAPAN — Direct sale opportunity for crude azurite ore (CU3, CO3, OH2), raw material for blue-colored paint powder for classic Japanese painting; est. annual purchase $50,000. Buyer is importer/distrib. of coloring & raw materials. Ref.: Mitsubishi Bank, Kyoto Branch, Kyoto. Reply to—Toshio Sasaki, Pres., Holiday Promotion, Ltd., 525 Sanjo-Agaru, Kiya-Machi, Nakagyo-Ku, Kyoto 604. Cable HOLIPRO KYOTO; tel. 075-231-2351.

Broad woven fabric mills, cotton

2211433—ITALY—Terry towelings, washcloths & other terry cloths. Est. annual potential sales $250,000. Estab. 1965, employs 100, is mostly mfr. of toothpicks & cotton swabs & processor & distrib. of variety of items sold as consumer goods for household & body cleaning. Maintains facilities on 4,000 sq. meters & has sales force of 40 reps. & 1 salesman. Turnover approx. 3.5 billion lire. Enjoys good business & credit reputation. Reply to—Messrs. Claudio, Giovanni & Enzo Lotti, Owners, Sisma SNC, Strada Ostigliese 8, 46100 Mantova, Italy. Cable SISMA MANTOVA; phone 0371/370692.

Steel mill products

3312015-17,3452400 — MALAYSIA — Malaysian Railway Administration invites tenders from experienced mfrs./suppliers for 14,000 pairs fish plates BS80A to BSS47 of 1959; 56,000 units fish bolts to BSS64 of 1959. Value of tender est. at US$0.4 million. Tender docs. available for M$50 (US$1 approx. M$2.41) per set from Stores Superintendent, Malaysian Railway Administration, P.O. Box 1049, Sactul, Kuala Lumpur 13-09. Bid deadline Dec. 7.

3312600—EL SALVADOR—Mfr., supply & delivery of following by prequalified firms—6,000 meters steel pipe & 350 elbows or bends of 12, 16 & 20 in. dia., schedule 20, according to M A53 grade B standard spec. Includes pipe fittings. Financed by World Bank. Bid docs. available free, address below, & also at ELC Electroconsult, Ingenieros Consultores, via Chiabrera 8 20151 Milan, Italy. Those firms which have not prequalified earlier can do so by sending, attached to bid offer, following information—experience in mfr. required equip., financial status, bank references, description their factory layout & organizational chart, & all pertinent data about firm. Delivery date July 31, 1978. Obtain bid docs. from—Comision Ejecutiva Hidroelectrica Del Rio Lempa (CEL), 9A. Calle Poninete 950, Centro de Gobierno, San Salvador. Refer to bid no. CEL-552. Bid deadline Jan. 10.

Cutlery, hand tools

3425049—BURUNDI—150,000 hand operated pruning saws. Handle bright, high quality wood, pistol butt shaped; blade curved, rolled steel; length cutting edge 12 in., fixed to handle with 3 brassed rivets (thickness & width cutting edge measured in widest part must be mentioned); setting of teeth of saw blade ¼ in. Rockwell steel hardness certificate required. Blades must be rust-proof coated. Financed by International Dev. Assn. Obtain bid docs. from—Pascal Kabura, Dir., OCIBU, BP 450, Bujumbura, Burundi.

Heating apparatus, plumbing fixtures

3433300—MOROCCO—Supply & installation radiation convection steam superheaters to replace those of boilers nos. 4 & 5 of Casablanca Thermal Plant which have following operational characteristics—nominal flow-115 T/H; nominal pressure-100 bars; nominal temperature-538 degrees C (temperature of superheated steam at Casablanca Thermal Station). Financed by Moroccan Central Govt. investment budget. Submit bid in French if possible. Obtain bid file from—Monsieur Le Directeur, Office National De L'Electricite (One), Boite Postale No. 493, Casablanca. Telex OFELEC 22.780 M. Bid deadline Dec. 24.

Fabricated structural metal products

3441341—INDIA—Transmission line towers for Maharashtra's power transmission & distribution project. Quantity not known. IDA-financed. Bidding docs. available for RS.100 ($11.36) from Chief Engineer (Stores), Maharashtra State Electricity Board, Shree Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Bombay 400 013. Refer to bid no. IDA/MSEB/9. Bid deadline Dec. 26.

3443300 — AUSTRALIA—Two 660-megawatt reheat boilers, nos. 3 & 4 units, to be supplied, delivered, & erected. Pulverized fuel fired, subcritical, reheat type, water tube boilers & ancillary plant. Initial op-

eration dates July 1983 & July 1984. Location of installation—Eraring, N.S.W., W. shore of Lake Macquarie, 125 km n. of Sydney. Specs. available at A$20 (approx. US$22) per set, plus est. postage of US$115 for air mail, from below address. Est. value tender, $100 million. Firm must have some continuing engineering representation in Australia. If you do not have a rep., contact nearest Dept. of Commerce District Office. Cable ELECTRICOM SYDNEY; tel. 239-0311, ext. 87206; telex 2-0454. Obtain bid docs. from—Electricity Commission of N.S.W., Box 5257 G.P.O., Sydney 2001. Refer to spec. 2773. Bid deadline Feb. 1.

3443352—AUSTRALIA—Fabric filter dust collecting plants for 660 megawatt reheat boilers. Est. value contract about US$25 million. Contract will include erection, testing & maintenance, as well as design, mfr. & delivery. Some engineering representation in Australia necessary. Docs. available for A$20 (about US$22) plus airmail postage A$96 from Electricity Commission of N.S.W., P.O. Box 5257, G.P.O. Sydney 2001, New South Wales. Refer to doc. no. 2694. Bid deadline Feb. 20.

Farm machinery

3523893-95, 3561100, 9915106 — LIBYA — Supply & installation irrigation network & 54 water pumps at Kufra Settlement project. Financed by Libyan Govt. through Libyan commercial bank. Offers must be accompanied by initial guarantee 1 percent of tender value, with final guarantee of 5 percent of tender value. Tender docs. & specs. available for LD200 ($680) from—Council of Land Reform & Reclamation, Kufra & Sarir Executive Board, Benghazi, Libya. Bid deadline Dec. 31.

Construction, mining, materials handling machinery, equipment

3531000—IRAN—Bids invited on road construction machinery, incl. stone crushers, rollers, bitumen maintenance distributors & relay tanks, dump trucks, & related equip. Bidders must have authorized agent/distr. in Iran capable of servicing equip. If you do not have a rep., contact nearest Dept. of Commerce District Office. Financed by loan from IBRD, guaranteed by Iranian Ministry of Roads & Transportation. Bid docs. available from Dept. of Commerce, TOP, Rm. 2321, Wash., D.C. 20230, tel. 202-377-2251. Submit bids to—Procurement Dept., Ministry of Roads & Transportation, 25 Shahrivar Bldg., No. 4, Tehran. Bid deadline Dec. 11.

3536100—INDIA—Ten hydraulically operated aerial lifts valued at approx. $200,000, to be mounted on locally procured chassis. Bidding docs. priced RS.100 per set (equivalent to $11.36) available from address below. Payment by demand draft drawn on any Indian bank should be made payable to Chief Account Officer, Maharashtra State Electricity Board, New Kamani Chambers, 32 Nicol Rd., Ballard Estate, Bombay 400 038. Obtain bid docs. from—Chief Engineer (Stores), Maharashtra State Electricity Board, Shree Madhu Industrial Estate (1st fl.), Pandurang Budhkar Marg, Worli, Bombay 400 013. Refer to bid no. SP. IV/T-661. Bid deadline Dec. 19.

Metalworking machinery

3541000—EGYPT—Supply & delivery replacement equip. for 10 existing vocational training centers & 1 instructor training institute. Tender docs. containing specs. & general conditions must be purchased by payment 100 pounds sterling (U.S.$175.00) by bankers check or bank transfer through Central Bank of Egypt. All offers must include provisional deposit U.S.$35,000. All offers must be submitted through registered commercial agent from public sector companies or from private sector. Financed through World Bank. Obtain bid docs. from—Gen. Organization for Industrialization (GOFI), Productivity & Vocational Training Dept., 6, Khalil Agha St., Garden City, Cairo. Refer to tender no. 13/77. Bid deadline Feb. 14.

Electric transmission, distrib. equip.

3612200-3100-3700, 3643000, 3264000—INDIA — Four tenders for Maharashtra's power transmission & distribution project. Quantity not known. IDA-financed. 1) power transformers, bid no. IDA/MSEB/10, deadline Jan. 5; 2) switchgear equipment, bid no. IDA/MSEB/11, deadline Jan. 12; 3) control & relay panels, bid no. IDA/MSEB/13, deadline Dec. 12; 4) power conductor, groundwire & accessories, insulators & hardware, bid no. IDA/MSEB/12, deadline Dec. 19. Bidding docs. available at RS.100 ($11.36) each tender from—Chief Engineer (Stores), Maharashtra State Electricity Board, Shree Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Bombay 400 013.

Communications equipment

3662100—GREECE—Supply of 6 base transceivers VHF/FM for Greek Coast Guard. Financed from Greek govt. budget. Bid docs. available from Ministry of Commerce, State Purchases Directorate 4, 20 Kanningos St., Athens. Refer to bid no. 1151/1977. Bid deadline Dec. 7.

Motor vehicles, equipment

3711200—INDIA—Two truck tractors capable of hauling loads of 100 & 50 m.t., respectively. Trailers required for these units will be purchased locally. Tractors will be used for hauling transformers & other equip. Tender docs. available for RS.55 ($6.11) from Chief Engineer (T&P), Madhya Pradesh Electricity Board, Rampur, Jabalpur, Madhya Pradesh, India 482008. Refer to bid no. Project TR-167. Bid deadline Dec. 27.

Railroad equipment

3743321 — MALAYSIA — Malaysian Railway Administration invites tenders from experienced manufacturers/suppliers for 20 carriage bogie underframes (meter gauge). Value tender est. at US$3.5 million. Tender docs. available for M$300 per set (US$1 approx. M$2.41) from Stores Superintendent, Malaysian Railway Administration, P.O. Box 1049, Sentul, Kuala Lumpur 13-09. Bid deadline Dec. 21.

Instruments for measurement, analysis & control

3829254-93, 3811229, 3822020, 3824224-41—PERU—Dynamometers & related control instruments for testing motor vehicle engines & chassis. Analyzers for analyzing nitrogen oxides, hydrocarbon & carbon monoxide content of exhaust gas. Intake air meters. Fuel flow meters equipped with digital clock, for spark ignition & diesel engines. Temperature graphic recorders, 12 channels, 0 degrees-1000 degrees C. Equip. for testing performance & life of car mufflers, safety belts & bodies. ITINTEC is Peruvian Govt. institution, under Min. Industry & Tourism, in charge of brand name & patent registry, technological investigation & standardization of industrial products. Non-profit institution, derives income from 2 percent tax on net revenue industrial enterprises & from sale of technical norms. Contact—Isaias Flit Stern, Mng. Dir., Instituto De Investigacion Tech. Ind. Y De Normas Tecnicas (ITINTEC), Av. Abancay 1176, Piso 2, Apt. 145, Lima 1. Reply ASAP. Tel. 288205; 273977.

Construction

9911207 — MALAYSIA — Tenders invited for construction of polytechnic & teacher training college in Kuantan, Pahang, Malaysia. Tender docs. available for M$120 from Dir. (Quantity Survey), Public Works Dept. Hqs., Jalan Tun Ismail, Kuala Lumpur 10-02. Make payment with crossed check, in favor of Director General, Public Works Dept. Headquarters. Bid deadline Dec. 8.

9912901, 3357400—IRELAND—Supply, install, test & commission coaxial cable systems on various scheduled routes in accordance with spec. no. 13ML/77 & Dept. of Posts & Telegraphs letter ref. PJR/325 dated Sept. 15, 1977. Financed by central govt. funds. Specs. & letter available from Engineer-in-Chief, Dept. of Posts & Telegraphs, Contracts Sec., Marlborough St., Dublin 1. Refer to bid no. C/610/12/14. Bid deadline Dec. 14.

9913203—SWITZERLAND—Panetra AG specializes in supplying industrial equip. & food items to third world countries, incl. Mid-East. They have contract from private consortium in Ecuador for building & equipping of complete instant coffee production plant with monthly output 200 to 300 metric tons. Plant would be awarded to contractor or organization capable of handling it as turnkey project. Raw material are coffee beans produced locally. Plant should include facility for packing of finished instant coffee into plastic or glass jars. Financing would be negotiated. Purposes are fixed installments after completion of detailed project design, according to progress of plant to be built. Alternative would be cash against key. General contractors invited to contact Mr. Lamac directly in order to get full details necessary for bidding. References concerning experience should be supplied, indicating name & address of client. Contact Peter H. Lamac, Mgr., Panetra AG, Hubacker 26, 8105 Regensdorf, Switzerland. Cable PANETRA ZURICH. Tel. 01/8403236.

9913301-99—TUNISIA—Tunisian Ministry of Natl. Economy, Construction Materials Div., envisages construction of two plants. 1) Plate glass plant with 10,000-15,000 tons/yr. capacity. 1976 plate glass consumption was 7,000 tons, all imported, mostly from Poland, USSR, Romania, Benelux & France. There are currently no plate glass mfrs. in Tunisia. 2) Low cost prefabricated building mfg. plant for construction of houses, schools, administrative buildings, etc., to offset soaring costs of conventional construction methods by reducing costs of materials involved & by labor & time saving. Send preliminary offer with documentation on techniques used, previous experience in this field & any other relevant information, to Mouldi Zouaoui, S. Dir., Materiaux De Construction, Ministere De L'Economie Nationale, 195 Rue De La Kasbah, Tunis.

9915102—ECUADOR—Construction of La Esperanza Dam. Tenderer is Manabi Province (pop. 809,000) Rehabilitation Center, quasi-govt. agency. Dam will form part of Carrizal-Chone project. Financed with Ecuador's Fonade-Fondo Nacional De

Desarrollo, Quito (Natl. Fund for Dev.) funds. Bids must be in Spanish, & delivered personally. Specs. & plans available for nonrefundable $1,000 from Senor Secretario Del Comite De Lic. Del C.R.M.—Centro De Rehab. De Manabi, Calles 18 Dec Octubre Y Sucre, Portoviejo, Ecuador. Bid deadline Jan. 10.

9917206—EGYPT—Supply & supervision of installation of mechanical & electrical equip. for Minya Sewage Pumping Station. Specs. & tender docs. available for L.E. 100 (US$142.85) from General Organization for Sewerage & Sanitation, Tahrir Bldg., 6th Fl., Tahrir Sq., Cairo. Offers must include letter of guarantee specified in tender docs., & must be submitted through registered commercial agent. Bid deadline Jan. 5.

9918202, 3613111-131-319—GAMBIA—Electrical distribution plant for incorporation in electricity supply component of tourism infrastructure project. Contract 2—supply & installation 3-33kv substations & 1-11kv switching station. Contract 3—supply & installation 1 additional 3,000kw diesel-driven, replacement 11 IV switchboard. Financed by African Dev. Bank. Tender docs. obtainable for 25 pounds sterling (equivalent to U.S.$44.64), refundable on receipt of bonafide tender, from Miss A. Billett, Engineering Advisory Services Div., Crown Agents, 4 Millbank, London, SW1P 3JF, England. Submit bids to—Gambia Utilities Corp., 16 Buckle St., P.O. Box 609, Banjul, The Gambia. Bid deadline Dec. 31.

9918203—PAKISTAN—Supply & erection of complete 220kv substation at Multan under 500 kv Lyallpur-Multan-Guddu transmission line project. Est. cost substation approx. $10.53 million, of which $8.32 million expected to be foreign exchange component. Substation is part of WAPDA construction of 336 miles 500kv transmission line project costing $113.8 million, of which $50 million covered by IBRD loan. Tender docs. available for $50 per set from Malik Mohammad Ashraf, Chief Engineer (EHV), Water & Power Dev. Authority, G-44 WAPDA House, Lahore. Refer to doc. 941-5. Bid deadline Dec. 12.

Special products

9950014—JAPAN—Direct sale opportunity for do-it-yourself items. Particularly interested in hand tools. Est. annual purchase $10,000. Will sell items to wholesalers throughout Japan. Specializes in hand tools & machines of various kinds. Annual sales $20 million. Ref.: Sanwa Bank, Shinanobashi Branch, Osaka. Reply to—H. Kitagawa, Mgr., Nihon Riki Co., Ltd., 1-20, Awaza Naka-Dori, Nishi-Ku, Osaka 550. Cable LOBSTERTOOL OSAKA; telex J63646; tel. 06-532-5321.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Broad woven fabric mills, cotton

2211400 — WEST GERMANY — Major W. Berlin distrib. seeks import of following items in substantial quantities for wholesale trade in W. Berlin: cotton colored yarn fabrics, toweling & dishcloth fabrics, & napped cotton fabrics, including blanketing. Quote c.i.f. German port, if possible. Reply to—Paul Pammler, Firma Paul Pammler, Jebenstrasse 1, D-1000 Berlin 12. Tel. (030) 312-50-97.

Men's, boys' furnishings

2323110-20—HONDURAS—Firm seeks to act as agent for U.S. producer of cellulosic manmade yarns (acetate, nylon, polyester, texturized), 75-200 deniers & 238-374 deniers. Complete assortment. Firm operates agency for representation of foreign firms, & wants to receive offers ASAP c.i.f. Puerto Cortes or San Pedro Sula, incl. terms of payment & delivery, tech. info. catalogs, price lists, commission basis & for distribution by direct import. Enjoys good reputation in local banking & commercial circles. Reply to—Juan Ferez, Mgr., Agencia Juan Fergt, Edificio Bolivar, 2 Piso 214, 2A. Ave. S.O., San Pedro Sula. Cable FEREZ; tel. 522813.

Industrial chemicals

2816431—NEW ZEALAND—Representation sought for iron oxide pigments (preferably synthetics). Large importer & general merchant dealing mainly in chemicals, plastics, machinery & textiles, holding many U.S. agencies. Requests full technical specs. & shade cards plus details on price, availability & methods of shipment. Write—P.D. Rivers, Product Mgr., Dyestuffs Div., Robert Bryce & Co. Ltd., Barnes St., Seaview P.O. Box 3747, Wellington. Cable PERSEVERE; telex NZ3934; tel. 678-109.

Pottery, related products

3261051—SWITZERLAND—Direct sale & agency opportunity for bathroom accessories, china & earthenware. Active & successful importer/distr. of all kinds of toiletries & bathroom accessories. Firm is of some importance in Nw. Switzerland & maintains excellent relations to dept. stores in that area. Good financial & professional reputation. Bank ref.: Swiss Credit Bank, Basel. Reply to—E. R. Grollimund, Pres., Medigroba SA, P.O. Box 218, 4102 Binningen, Switzerland. Tel. 061/39/27 41.

3263052—SPAIN—Agency & distrib. opportunity for commercial kitchenware (for cooking, preparing & storing foods & drinks). Important co. in its field in Spain, estab. 1952. Head office in Barcelona, branch in Madrid & 150 sales agents throughout Spain. Employs 22. Annual sales $1 million. Capital about $120,000, gross assets $475,000, liabilities $83,000. Enjoys good commercial & financial reputation. Fin. ref.: Banco Espanol De Credito, Plaza Catalusa 10, & Banco De Bilbao, Plaza Catalusa 5, both in Barcelona. Reply to—Francisco Soler Pihon, Accessories Hoteleros, S.A., Entenza 74-76, Barcelona 15. Cable ACHOSA, BARCELONA.

Cutlery, hand tools, gen'l hardware

3429435, 3670000—MOROCCO—Firm that handles all kinds of hardware, electrical supplies & construction accessories, interested in direct purchase & distributorship of door locks & lock sets for aluminum framed doors/windows, as well as insect repellent apparatus, electric. Prefer correspondence in French. Reply to—Kacem Ait Said, Droguerie Quincaillerie Marhaba, Rue Mexique No. 32-34, Tangier. Tel. 320-35 & 382-37.

Special industrial machinery

3551412 — NETHERLANDS — Overseas representation sought for butter & margarine packaging & wrapping machines. Small trading firm employing 4. Acts as importer & agent of packaging machinery for food & pharmaceutical industry. Financial ref.: Nederlandse Middenstandsbank, Utrecht. In view of firm's small size, business should be conducted on secured basis. Reply to—C. Smits, Mgr., Handel-

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3551411-17—AUSTRALIA—Sales & service agent for packaging & filling equipment for food processing industry looking for distributor relationship with U.S. producer of container filling, packaging & capping or lidding machines for dairy products, juices & yogurts, packaging machines for ice cream, butter, cheese, deserts & dairy products. Reply to—Richard L. Birrell, Gen. Mgr., Mirco Packaging Engineers Pty. Ltd., P.O. Box 62, Ermington, N.S.W. 2115. Cable MICROIND; telex AA25453; tel. 633 266.

Radio, television receiving sets

3651405-20-62-67, 3651551-55 — NETHERLANDS—Exclusive agency sought for record players, automatic; recorders, tuners; audio amplifiers & preamplifiers; loudspeakers; microphones; video recorders. Estab. 1900, staff 6,147. Operates worldwide & has 94 trading & mfg. subsidiaries with combined sales of FLS. 1,358,390,000. Open account trading warranted. Excl. agency and/or distributorship for Europe, Australia, Africa, South America & S.E. Asia. Reply to—P. G. Van Angeren, Mgr., Hagemeyer NV, P.O. Box 5111, Rijksweg 69, Naarden, Netherlands. Telex 43997; tel. 02159/46217.

Communications equipment

3662681 — NETHERLANDS — Electronic loop detectors for vehicle detection; vehicle height sensors for tunnels & parking garages; low cost radar for pleasure craft; automatic garage door openers, radio controlled; traffic control equip.; ice detection system for highways. Estab. 1945, staff 63, auth. & paid in capital FLS. 100,000, annual sales FLS. 12,000,000. Bankers—Algemene Bk. Nederland & NV, Sarphatistraat 11, Amsterdam. Represents (Parent co.) Adolf Schindling AG, Schwalbagh/TS, West Germany; OTA Industriegerate GmbH, Frankfurt/Main, W. Germany; Jaeger SA, Levallois-Perret, France. Recommend transaction on secured basis. Reply to—P. Hassan-Zadeh, Mgr., VDO Nederland BV, P.O. Box 8265, Nieuwpoortstraat 9, Amsterdam. Telex 16550; tel. 020/821952.

Electronic components, accessories

3679032—WEST GERMANY—Direct sale & agency opportunity for inductive & capacitive proximity switches. Quote c.i.f. Antwerp, Belgium. Estab. 1970, employs 220, annual sales DM 23,000,000. Financial ref.: Natl. Bank, 4300 Essen. Reply to Herr G. Marhofer, Gen. Mgr., IFM Electronic Geraete GmbH, Teishstr. 4, 4300 Essen 1. Tel. 0201-221794; telex 08579808.

Measuring & controlling devices

3823080—SWITZERLAND—Automatic, in line ortho & phosphate analyzers for continuous operation in sewage treatment plants incl. indicating instruments (recorder) & control output & analyzer using ion selective electrodes, instead of photometric systems. Supplier of advanced water & air pollution control instruments representing several German, French & U.S. mfrs. Staff of 23. Capable of handling application engineering as well as after sales servicing of electronic instruments. Estab. 1970. Bank ref.: Swiss Bank Corp., Wetzikon. Reply to Andre Maire, Chemist, Mesuco AG, 8633 Wolfhausen. Cable MESOC CH; tel. 055/38 26 51; telex 75 451.

Motion pictures

7814—BAHRAIN—Educational & industrial motion pictures. Swiss firm with U.K. & U.S. participation, headquartered in Bahrain, designing & conducting management/supervisory level training courses for private & public sector organizations throughout Gulf region. Reply ASAP to—Warren C. Hegg, Asst. Mng. Dir., Executive Development Institute, P.O. Box 5882, Manama.

Credit Rating, Debt Collection Firms Listed For Foreigners

The U.S. Department of Commerce is compiling a list of U.S. credit rating and debt collection firms willing to provide service to overseas clients. These lists will be provided upon request to foreign businesses. Interested firms contact Sandy Necessary, U.S. Department of Commerce, BIC/265, Rm. 1033, Washington, D.C. 20230, phone 202-377-4049.

Visiting Buyers & Officials

SWEDEN—Rune Floebecker of Goteborg would like contact with U.S. manufacturers or suppliers of **welded steel and precision steel tubes 150-200 mm. outside diameter maximum; honed tubes for hydraulic cylinders; diesel and gas fuel injection pumps; automatic gear boxes for trucks, buses, autos; headlights; cylinder linings and pistons for diesel trucks; solar energy products; industrial gear for wind power; compressor blades for turbines and jet engines; heavy industrial equipment such as industrial robots; forging presses, coal handling equipment for power stations and ship unloading.** For additional information contact Theresa E. Rettig, Room 2322, U.S. Department of Commerce, Washington, D.C. 20230; 202-377-3265.

SWITZERLAND—J. P. Kunstle wants to buy large quantities of new, men's **pea jackets** in assorted sizes (similar to U.S. Navy coats). Theresa Rettig, 202-377-3265.

ARGENTINA—Luis G. Alesanco is interested in **apparel items, household appliances, toys.** Theresa Rettig, 202-377-3265.

NIGERIA—S.O. Ogundepo of Ibadan is interested in receiving information on **"terrazo machines" and "electric block-making machines".** Contact Theresa E. Rettig, 202-377-3265.

Saudis Study Fish Farms

Newly established Saudi Arabian firm seeks U.S. consultants and suppliers experienced in building and managing fish farms. Firm has completed pre-feasibility study for sea water fish farm in low lying salt flats of Red Sea at Dabban, just north of Jidda. More research is needed to verify viability of project. Contact Hamed H. Raddadi, Al-Raddadi Establishment for Fish Farming, Flat No. 5, Gate 3, Bank Building, King Khalid St., Jidda, with copies of initial correspondence to Andras F. Behr, BIC/CAGNE, U.S. Department of Commerce, Washington, D.C. 20230.

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Greensboro, N.C., 27402, 203 Federal Bldg., W. Market St., P.O. Box 1950. (919) 378-5345.

Hartford, Conn., 06103, Room 610-B, Federal Office Bldg., 450 Main St. (203) 244-3530.

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Newark, N.J., 07102, Gateway Bldg. (4th floor) Market St. & Penn Plaza (201) 645-6214.

Omaha, Neb., 68102, 1815 Capitol Ave., Suite 703A (402) 221-3665.

Philadelphia, 19106, 9448 Federal Bldg., 600 Arch St. (215) 597-2850.

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